

## CHAPTER FOUR

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### 47 FINANCIAL INSTRUMENTS (continued)

##### 47.2 Fair Value of Financial Instruments *continued*

###### Quoted Prices

Financial Assets in this category include Listed Redeemable Notes, Bills of Exchange and Debentures. Financial Liabilities include Bills of Exchange and Perpetual Notes.

In accordance with IAS 39.09 the Fair Values of Financial Assets and Financial Liabilities, together with the carrying amounts shown in the Statement of Financial Position, are as follows:

The management of the municipality is of the opinion that the carrying value of Financial Assets and Financial Liabilities recorded at amortised cost in the Annual Financial Statements approximate their fair values.

|  | 30 June 2009        |                    | 30 June 2008        |                    |
|--|---------------------|--------------------|---------------------|--------------------|
|  | Carrying Value<br>R | Fair Value<br>R    | Carrying Value<br>R | Fair Value<br>R    |
| <b>FINANCIAL ASSETS</b>                          |                     |                    |                     |                    |
| <b>Held to maturity:</b>                         | 92 150 960          | 92 150 960         | 51 087 405          | 51 087 405         |
| Listed Investments                               | 4 685               | 4 685              | 4 482               | 4 482              |
| Fixed Deposits                                   | 92 146 276          | 92 146 276         | 51 082 923          | 51 082 923         |
| <b>Loans and Receivables</b>                     | 66 649 567          | 66 649 567         | 60 346 616          | 60 346 616         |
| Long-term Receivables                            | 45 831 978          | 45 831 978         | 29 885 136          | 29 885 136         |
| Trade Receivables from Exchange transactions     | 12 600 103          | 12 600 103         | 8 994 596           | 8 994 596          |
| Other Receivables from Non-Exchange transactions | 2 510 927           | 2 510 927          | 2 243 267           | 2 243 267          |
| Current Portion of Long-term Receivables         | 1 749 570           | 1 749 570          | 1 637 228           | 1 637 228          |
| Cash and cash equivalents                        | 3 956 989           | 3 956 989          | 17 586 389          | 17 586 389         |
| VAT Receivable                                   | —                   | —                  | —                   | —                  |
| <b>Total Financial Assets</b>                    | <b>158 800 527</b>  | <b>158 800 527</b> | <b>111 434 021</b>  | <b>111 434 021</b> |
| <b>FINANCIAL LIABILITIES</b>                     |                     |                    |                     |                    |
| <b>Other Financial Liabilities</b>               | 97 285 949          | 97 285 949         | 62 825 738          | 62 825 738         |
| Creditors  | 30 020 400          | 30 020 400         | 12 930 546          | 12 930 546         |
| Consumer Deposits                                | 4 598 639           | 4 598 639          | 4 336 523           | 4 336 523          |
| Non-current Provisions                           | 3 342 318           | 3 342 318          | 3 600 540           | 3 600 540          |
| Provisions                                       | —                   | —                  | —                   | —                  |
| Employee Benefits                                | 11 743 045          | 11 743 045         | 10 435 765          | 10 435 765         |
| Long-term Liabilities                            | 45 831 978          | 45 831 978         | 29 885 136          | 29 885 136         |
| Current Portion of Long-term Liabilities         | 1 749 570           | 1 749 570          | 1 637 228           | 1 637 228          |
| <b>Total Financial Liabilities</b>               | <b>97 285 949</b>   | <b>97 285 949</b>  | <b>62 825 738</b>   | <b>62 825 738</b>  |
| <b>Total Financial Instruments</b>               | <b>61 514 577</b>   | <b>61 514 577</b>  | <b>48 608 283</b>   | <b>48 608 283</b>  |

##### 47.3 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2008.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 23, Bank, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Notes 1 and 2 and the Statement of Changes in Net Assets.

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### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

|  | 2009<br>R   | 2008<br>R   |
|--|-------------|-------------|
| <b>47 FINANCIAL INSTRUMENTS (continued)</b>          |             |             |
| <b>47.3 Capital Risk Management <i>continued</i></b> |             |             |
| <b>Gearing Ratio</b>                                 |             |             |
| The gearing ratio at the year-end was as follows:    |             |             |
| Debt   | 47 581 548  | 31 522 364  |
| Net Assets   | 373 829 967 | 358 045 649 |
| Debt to Net Assets ratio                             | 12,73%      | 8,80%       |

Debt is defined as Long- and Short-term Liabilities, as detailed in Note 5.

Net Assets includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance.

#### 47.4 Financial Risk Management Objectives

The municipality's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the municipality through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The municipality seeks to minimise the effects of these risks by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the municipality's policies approved by the Council, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and in the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The municipality does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Corporate Treasury function reports quarterly to the municipality's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

#### 47.5 Significant Accounting Policies

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset, Financial Liability and Equity Instrument are disclosed in the Accounting Policies to the Annual Financial Statements.

#### 47.6 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates. Potential concentrations of credit risk and interest rate risk consists mainly of fixed deposit investments, long term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

There has been no change to the municipality's exposure to market risks or the manner in which it manages and measures the risk.

#### 47.7 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction limits per financial institution.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance account.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges," "demand for payment," "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is deemed most appropriate under the circumstances.

## CHAPTER FOUR

### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### 47 FINANCIAL INSTRUMENTS (continued)

##### 47.8 Effective Interest Rates and Repricing Analysis

In accordance with IAS 32.67(a) and (b) refer to Appendix A for the indication of the average effective interest rates of Interest-bearing Financial Liabilities at the reporting date and the periods in which they mature or, if earlier, reprice. The following indicates the income-earning Financial Assets:

| 30 June 2009<br>Description      | Note<br>ref in<br>AFS | Average<br>effective<br>Interest<br>Rate<br>% | Total<br>R | 6 Months<br>or less<br>R | 6 - 12<br>Months<br>R | 1 - 2<br>Years<br>R | 2 - 5<br>Years | More than<br>5 Years<br>R |
|----------------------------------|-----------------------|---|------------|--------------------------|-----------------------|---------------------|----------------|---------------------------|
| <b>FIXED RATE INSTRUMENTS</b>    |                       |   |            |                          |                       |                     |                |                           |
| Held-to-maturity Investments     | 19                    |   | 4 685      |                          |                       |                     |                | 4 685                     |
| <b>VARIABLE RATE INSTRUMENTS</b> |                       |   |            |                          |                       |                     |                |                           |
| Short-term Investment Deposits   | 24                    | 8 – 12  | 92 146 276 | 92 146 276               |                       |                     |                |                           |
| Bank Balances and Cash           | 24                    | 8 – 12  | 3 956 989  | 3 956 989                |                       |                     |                |                           |
| Total Variable Rate Instruments  |                       |   | 96 103 264 | 96 103 264               | –                     | –                   | –              | –                         |
| <b>30 June 2008</b>              |                       |   |            |                          |                       |                     |                |                           |
| <b>FIXED RATE INSTRUMENTS</b>    |                       |   |            |                          |                       |                     |                |                           |
| Held-to-maturity Investments     | 19                    |   | 4 482      |                          |                       |                     |                | 4 482                     |
| <b>VARIABLE RATE INSTRUMENTS</b> |                       |   |            |                          |                       |                     |                |                           |
| Short-term Investment Deposits   | 24                    | 8 – 12  | 51 082 923 | 51 082 923               |                       |                     |                |                           |
| Bank Balances and Cash           | 24                    | 8 – 12  | 17 586 389 | 17 586 389               |                       |                     |                |                           |
| Total Variable Rate Instruments  |                       |   | 68 669 312 | 68 669 312               | –                     | –                   | –              | –                         |

##### 47.9 Other Price Risks

The municipality is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The municipality does not actively trade these investments.

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### NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

#### 47 FINANCIAL INSTRUMENTS (continued)

##### 47.10 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

| 30 June 2009<br>Description | Note ref<br>in AFS | Average<br>effective<br>Interest<br>Rate | Carry<br>amount | Contractual<br>cash flows<br>R | 6 Months<br>or less<br>R | 6 - 12<br>Months<br>R | 1 - 2<br>Years<br>R | 2 - 5<br>Years | More than<br>5 Years<br>R |
|-----------------------------|--------------------|--|-----------------|--------------------------------|--------------------------|-----------------------|---------------------|----------------|---------------------------|
| DBSA                        | 5                  | 10,00%                                   | 170 407         | 34 430                         | 8 695                    | 9 130                 | 19 651              | 71 887         | 61 044                    |
| DBSA                        | 5                  | 12,00%                                   | 25 560          | 6 098                          | 1 515                    | 1 606                 | 3 507               | 13 343         | 5 589                     |
| DBSA                        | 5                  | 15,00%                                   | 661 289         | 136 264                        | 18 535                   | 19 925                | 44 446              | 179 313        | 399 069                   |
| DBSA                        | 5                  | 14,00%                                   | 391 731         | 77 886                         | 11 522                   | 12 328                | 27 306              | 108 034        | 232 540                   |
| DBSA                        | 5                  | 16,00%                                   | 1 507 581       | 307 101                        | 32 944                   | 35 579                | 79 926              | 328 796        | 1 030 336                 |
| DBSA                        | 5                  | 16,50%                                   | 513 093         | 111 402                        | 13 371                   | 14 474                | 32 629              | 135 540        | 317 079                   |
| DBSA                        | 5                  | 15,75%                                   | 4 367 260       | 923 925                        | 118 041                  | 127 337               | 285 546             | 1 168 965      | 2 667 371                 |
| DBSA                        | 5                  | 13,22%                                   | 46 786          | 13 083                         | 3 449                    | 3 677                 | 8 100               | 31 560         | -                         |
| DBSA                        | 5                  | 13,30%                                   | 247 555         | 102 752                        | 34 914                   | 37 236                | 82 064              | 93 342         | -                         |
| DBSA                        | 5                  | 13,75%                                   | 494 572         | 140 019                        | 36 008                   | 38 483                | 85 086              | 334 995        | -                         |
| DBSA                        | 5                  | 16,15%                                   | 144 387         | 87 332                         | 32 007                   | 34 592                | 77 788              | -              | -                         |
| DBSA                        | 5                  | 16,15%                                   | 6 147           | 3 718                          | 1 363                    | 1 473                 | 3 312               | -              | -                         |
| DBSA                        | 5                  | 16,50%                                   | 3 526 033       | 731 683                        | 74 944                   | 81 126                | 182 884             | 759 696        | 2 427 383                 |
| DBSA                        | 5                  | 14,22%                                   | 1 265 679       | 230 951                        | 25 479                   | 27 291                | 60 541              | 240 562        | 911 806                   |
| DBSA                        | 5                  | 14,22%                                   | 1 625 769       | 309 563                        | 39 181                   | 41 967                | 93 099              | 369 932        | 1 081 589                 |
| DBSA                        | 5                  | 14,39%                                   | 534 859         | 107 849                        | 15 439                   | 16 549                | 36 757              | 146 541        | 319 573                   |
| DBSA                        | 5                  | 13,92%                                   | 2 434 089       | 438 671                        | 49 911                   | 53 385                | 118 176             | 466 832        | 1 745 786                 |
| DBSA                        | 5                  | 13,92%                                   | 986 384         | 158 348                        | 10 517                   | 11 249                | 24 901              | 98 366         | 841 351                   |
| DBSA                        | 5                  | 13,92%                                   | 95 000          | 101 612                        | 95 000                   | -                     | -                   | -              | -                         |
| C B R                       | 5                  |  | 37 686          | -                              | -                        | -                     | -                   | -              | 37 686                    |
| Pensionfund                 | 5                  | 15,10%                                   | 324 919         | 76 775                         | 13 856                   | 14 902                | 33 265              | 134 467        | 128 428                   |
| ABSA Bank                   | 5                  | 15,25%                                   | 16 887          | 7 223                          | 2 324                    | 2 501                 | 5 589               | 6 473          | -                         |
| DBSA                        | 5                  | 13,01%                                   | 27 675 417      | 4 016 667                      | 207 633                  | 221 142               | 486 387             | 1 887 580      | 24 872 675                |
| Finance Leases              | 5                  | 12,00%                                   | 488 816         | 232 086                        | 86 714                   | 91 917                | 200 710             | 109 475        | -                         |
| 30 June 2008                |                    |  |                 |                                |                          |                       |                     |                |                           |
| Description                 |                    |  |                 |                                |                          |                       |                     |                |                           |
| DBSA                        | 5                  | 10,00%                                   | 182 533         | 33 685                         | 7 716                    | 8 101                 | 17 438              | 63 791         | 85 486                    |
| DBSA                        | 5                  | 12,00%                                   | 27 443          | 5 069                          | 888                      | 941                   | 2 055               | 7 820          | 15 739                    |
| DBSA                        | 5                  | 15,00%                                   | 694 627         | 136 275                        | 16 040                   | 17 244                | 38 464              | 155 178        | 467 701                   |
| DBSA                        | 5                  | 14,00%                                   | 410 710         | 77 536                         | 10 018                   | 10 720                | 23 743              | 93 938         | 272 291                   |
| DBSA                        | 5                  | 16,00%                                   | 1 566 474       | 307 129                        | 28 247                   | 30 507                | 68 530              | 281 915        | 1 157 276                 |
| DBSA                        | 5                  | 16,50%                                   | 534 580         | 110 930                        | 11 362                   | 12 300                | 27 727              | 115 177        | 368 015                   |
| DBSA                        | 5                  | 15,75%                                   | 4 558 364       | 919 938                        | 100 998                  | 108 952               | 244 319             | 1 000 188      | 3 103 908                 |
| DBSA                        | 5                  | 13,29%                                   | 18 354          | 20 203                         | 8 882                    | 9 472                 | -                   | -              | -                         |
| DBSA                        | 5                  | 13,22%                                   | 53 060          | 13 084                         | 3 035                    | 3 236                 | 7 127               | 27 770         | 11 893                    |
| DBSA                        | 5                  | 13,30%                                   | 300 109         | 99 158                         | 29 622                   | 31 592                | 69 626              | 169 270        | -                         |
| DBSA                        | 5                  | 13,75%                                   | 559 827         | 140 029                        | 31 526                   | 33 694                | 74 496              | 293 303        | 126 807                   |
| DBSA                        | 5                  | 16,15%                                   | 201 405         | 87 332                         | 27 403                   | 29 616                | 66 598              | 77 788         | -                         |
| DBSA                        | 5                  | 16,15%                                   | 8 574           | 3 718                          | 1 167                    | 1 261                 | 2 835               | 3 312          | -                         |
| DBSA                        | 5                  | 16,50%                                   | 3 647 053       | 729 250                        | 63 743                   | 69 002                | 155 551             | 646 156        | 2 712 601                 |
| DBSA                        | 5                  | 14,22%                                   | 1 380 742       | 243 111                        | 23 378                   | 25 040                | 55 548              | 220 724        | 1 056 052                 |
| DBSA                        | 5                  | 14,22%                                   | 1 780 605       | 324 910                        | 35 845                   | 38 394                | 85 171              | 338 432        | 1 282 763                 |
| DBSA                        | 5                  | 14,39%                                   | 581 370         | 111 428                        | 13 881                   | 14 880                | 33 050              | 131 760        | 387 799                   |
| DBSA                        | 5                  | 13,92%                                   | 2 645 750       | 459 762                        | 45 724                   | 48 906                | 108 262             | 427 669        | 2 015 188                 |
| DBSA                        | 5                  | 13,92%                                   | 1 050 367       | 165 429                        | 9 604                    | 10 272                | 22 739              | 89 825         | 917 928                   |
| DBSA                        | 5                  | 13,92%                                   | 285 000         | 217 043                        | 88 684                   | 94 857                | 101 459             | -              | -                         |
| C B R                       | 5                  |  | 37 686          | -                              | -                        | -                     | -                   | -              | 37 686                    |
| Pensionfund                 | 5                  | 15,10%                                   | 324 920         | 111 158                        | 31 048                   | 33 392                | 74 537              | 185 944        | -                         |
| ABSA Bank                   | 5                  | 15,25%                                   | 20 300          | 6 965                          | 1 934                    | 2 082                 | 4 652               | 11 631         | -                         |
| DBSA                        | 5                  | 13,01%                                   | 10 564 934      | 1 512 680                      | 68 933                   | 73 418                | 161 477             | 626 663        | 9 634 443                 |
| Finance Leases              | 5                  | 12,00%                                   | 87 575          | 65 525                         | 27 508                   | 29 159                | 30 908              | -              | -                         |

All other financial liabilities are due and payable in less than 12 months.

47 FINANCIAL INSTRUMENTS (CONTINUED)

47.11 Credit Risk Management

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the municipality uses other publicly available financial information and its own trading records to rate its major customers. The municipality's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

Potential concentrations of credit rate risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction/ exposure limits, which are included in the municipality's Investment Policy.

Trade receivables consist of a large number of customers, spread across diverse industries in the geographical area of the municipality. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, consumer deposits are adjusted.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges," "demand for payment," "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy

Long-term Receivables and Other Debtors are collectively evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discount, where applicable.

The following table represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained:

|   | 2009<br>R          | 2008<br>R          |
|---|--------------------|--------------------|
| The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows: |                    |                    |
| Fixed Deposit Investments   | 4 685              | 4 482              |
| Long-term Receivables   | 17 645 873         | 12 758 836         |
| Trade Receivables from Exchange transactions  | 21 008 136         | 22 439 453         |
| Other Receivables from Non-Exchange transactions  | 6 873 612          | 5 596 438          |
| Fixed Term Investment Deposits  | 92 146 276         | 51 082 923         |
| Bank and Cash Balances  | 3 956 989          | 17 586 389         |
| <b>Maximum Credit and Interest Risk Exposure</b>  | <b>141 635 569</b> | <b>109 468 521</b> |

48 EVENTS AFTER THE REPORTING DATE

During the period 11 to 13 November 2008 the Breede River Winelands Municipality experienced persistent rain.

The following estimated damage occurred:

|  |                  |
|--|------------------|
| Roads & Bridges                        | 3 750 000        |
| Storm water                            | 5 000            |
| Sewerage networks and treatment plants | 480 000          |
| Water networks and treatment plants    | 480 000          |
| Environmental Services                 | 605 200          |
| Electricity                            | 646 005          |
| Libraries                              | 2 000            |
| Swimming Pools                         | 43 000           |
| <b>Total Damage</b>                    | <b>6 011 205</b> |

49 CONTINGENT LIABILITY

None

50 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

51 EXEMPTIONS TAKEN ACCORDING TO THE EXEMPTIONS GAZETTED IN TERMS OF GOVERNMENT NOTICE NO. 30013 OF 29 JUNE 2007 AND SPECIFICALLY PARAGRAPH 3(2)B OF THE NOTICE

- Financial Instruments: Recognition and Measurement (AC133) Initially measuring financial assets and liabilities at fair value. [SAICA Circular 09/06 paragraphs 43, AG 79, AG 64 and AG 65 of AC 133]
- Financial Instruments: Disclosure (AC144) Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998.
- Segment Reporting (AC115) Entire Standard
- Operating Segments (AC146) Entire Standard
- Construction Contracts (AC109) Entire Standard
- Business Combinations (AC140) Entire Standard
- Accounting for Government Grants and Disclosure of Government Assistance (AC134) Entire standard excluding paragraphs 24 and 26, replaced by paragraph 08 of GAMAP 12, paragraph 25 of GAMAP 17 and paragraphs 42 – 46 of GAMAP 9.

52 PROCESS TO COMPLY FULLY WITH THE IMPLEMENTATION OF GENERAL RECOGNISED ACCOUNTING PRACTICES (GRAP).

The municipality adopted a phased-in approach in order to comply fully with the implementation of GRAP. The municipality is classified by the National Treasury as a medium capacity municipality and must comply with GRAP by 30 June 2010. The municipality, however, took advantage of transitional provisions and implement GRAP at an earlier date in order to ensure more reliable financial reporting. The implementation plan for full compliance with the requirements of GRAP is listed in Appendix "G".

53 DEVIATIONS IN TERMS OF PARAGRAPH 36 OF THE SUPPLY CHAIN MANAGEMENT REGULATIONS

In terms of paragraph 36 of the Supply Chain Management Regulations the Accounting Officer may –

- (a) Dispense with the official procurement processes established by this Policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only –
- (i) In the event of an emergency, one written quotation is to be obtained;
  - (ii) If the required goods or services are available from a sole provider only, one written quotation is to be obtained. Documentary proof must be provided that the service provider is actually a sole provider;
  - (iii) In respect of repairs to motor vehicles, machinery and equipment that need to be stripped to quote, only one written quotation is to be obtained;
  - (iv) For the acquisition of special works of art or historical objects where specifications are difficult to compile; or
  - (v) Acquisition of animals for game reserves.
  - (vi) In any other exceptional case where it is impractical or impossible to follow the official procurement processes.

- (b) Ratify any minor breaches of the procurement processes by official or committee acting in terms of delegated powers or duties, which are purely of a technical nature.

The Accounting Officer must record the reasons for any deviations in terms of subparagraph (a) and (b) of this Policy and report them to the next meeting of the Council and include as a note to the annual financial statements.

The following number deviations were approved by the accounting officer:

|   | 2009       |
|---|------------|
| Emergency   | 219        |
| Sole provider   | 110        |
| Stripped to quote   | 138        |
| Acquisition of special works of art or historical objects | -          |
| Acquisition of animals for game reserves.                 | -          |
| Impractical or impossible                                 | 124        |
| Ratify any minor breaches                                 | -          |
| <b>Total Deviations</b>                                   | <b>591</b> |

Detailed lists of these deviations have been submitted to Council and is available at the municipal offices for inspection.

The supply chain unit was only established during the 2007/2008 and 2008/2009 financial years. A software program was also implemented for the administration and reporting of procedures. Statistics for the 2007/2008 financial year are unfortunately not available.

# CHAPTER FOUR

## APPENDIX A – SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

| EXTERNAL LOANS                  | Rate  | Redeemable  | Balance at<br>30/06/08<br>R | Received<br>during the<br>period<br>R | Redeemed<br>written off<br>during the<br>period<br>R | Adjustments<br>R | Balance at<br>30/06/09<br>R | Cost Value of<br>Property,<br>Plant &<br>Equip<br>R |
|---------------------------------|-------|-------------|-----------------------------|---------------------------------------|--|------------------|-----------------------------|---|
| <b>ANNUITY LOAN</b>             |       |             |                             |                                       |  |                  |                             |   |
| Development Bank of S A         | 14,2% | 2000-2019   | 57 119                      |                                       | 5 051  |                  | 52 068                      | 100 000   |
| Development Bank of S A         | 16,5% | 1999-2018   | 35 271                      |                                       | 1 098  |                  | 34 174                      | 40 000  |
| Development Bank of S A         | 14,2% | 2000-2019   | 342 713                     |                                       | 30 305   |                  | 312 409                     | 600 000   |
| Development Bank of S A         | 14,2% | 2000-2019   | 242 755                     |                                       | 21 466   |                  | 221 289                     | 425 000   |
| C B R                           |       | 08/93-07/17 | 37 686                      |                                       | -  |                  | 37 686                      | 63 360  |
| Development Bank of S A         | 16,5% | 1999-2018   | 98 121                      |                                       | 7 903  |                  | 90 218                      | 288 000   |
| Development Bank of S A         | 13,9% |             | 1 265                       |                                       | 843  |                  | 422                         | 4 216   |
| Development Bank of S A         | 13,9% |             | 27 369                      |                                       | 18 246   |                  | 9 123                       | 91 230  |
| Development Bank of S A         | 14,4% | 1999-2018   | 93 194                      |                                       | 7 529  |                  | 85 665                      | 150 000   |
| Development Bank of S A         | 14,2% | 2000-2019   | 89 332                      |                                       | 7 576  |                  | 81 756                      | 150 000   |
| Development Bank of S A         | 14,4% | 2001-2020   | 114 939                     |                                       | 9 285  |                  | 105 654                     | 185 000   |
| Development Bank of S A         | 16,5% | 1999-2018   | 138 440                     |                                       | 4 308  |                  | 134 132                     | 157 000   |
| Development Bank of S A         | 14,4% | 2001-2020   | 186 387                     |                                       | 15 057   |                  | 171 331                     | 300 000   |
| Development Bank of S A         | 14,2% | 2000-2019   | 57 119                      |                                       | 5 051  |                  | 52 068                      | 100 000   |
| Development Bank of S A         | 14,2% | 2000-2019   | 153 651                     |                                       | 13 031   |                  | 140 620                     | 258 000   |
| Development Bank of S A         | 14,2% | 2000-2019   | 287 054                     |                                       | 24 345   |                  | 262 709                     | 482 000   |
| Development Bank of S A         | 14,0% | 1998-2018   | 410 710                     |                                       | 18 979   |                  | 391 731                     | 499 999   |
| Development Bank of S A         | 14,2% | 2000-2019   | 74 443                      |                                       | 6 314  |                  | 68 130                      | 125 000   |
| Development Bank of S A         | 14,4% | 06/03-06/08 | 25 314                      |                                       | 1 590  |                  | 23 724                      | 31 672  |
| Development Bank of S A         | 10,0% | 1996/2016   | 51 298                      |                                       | 3 408  | (10 575)         | 37 316                      | 60 000  |
| Development Bank of S A         | 10,0% | 1996/2016   | 19 236                      |                                       | 1 278  |                  | 17 958                      | 22 500  |
| Development Bank of S A         | 16,0% | 1999-2019   | 118 055                     |                                       | 4 546  |                  | 113 509                     | 136 090   |
| Development Bank of S A         | 15,8% | 1999-2018   | 1 726 563                   |                                       | 72 078   |                  | 1 654 485                   | 2 175 459   |
| Development Bank of S A         | 14,2% | 2000-2019   | 59 555                      |                                       | 5 051  |                  | 54 504                      | 100 000   |
| Development Bank of S A         | 13,9% |             | 15 584                      |                                       | 10 390   |                  | 5 195                       | 51 948  |
| Cape Joint Pension Fund         | 15,1% | 1982-12/12  | 324 920                     |                                       | -  |                  | 324 920                     | 324 920   |
| Unibank                         | 15,3% | 1983-12/12  | 20 300                      |                                       | 3 413  | (89)             | 16 798                      | 41 262  |
| Development Bank of S A         | 15,0% | 1998-2018   | 694 627                     |                                       | 33 338   |                  | 661 290                     | 850 000   |
| Development Bank of S A         | 13,3% | 1983-2012   | 300 109                     |                                       | 52 554   |                  | 247 555                     | 668 355   |
| Development Bank of S A         | 13,8% | 1984-2014   | 559 827                     |                                       | 65 256   |                  | 494 572                     | 1 000 000   |
| Development Bank of S A         | 16,0% | 1999-2019   | 1 023 777                   |                                       | 37 375   |                  | 986 402                     | 1 172 085   |
| Development Bank of S A         | 16,5% | 2000-2019   | 1 227 592                   |                                       | 40 735   |                  | 1 186 857                   | 1 724 100   |
| Development Bank of S A         | 15,8% | 1999-2018   | 1 726 563                   |                                       | 72 078   |                  | 1 654 485                   | 2 175 459   |
| Development Bank of S A         | 13,9% |             | 246 301                     |                                       | 15 480   |                  | 230 821                     | 300 000   |
| Development Bank of S A         | 13,9% |             | 105 000                     |                                       | 70 000   |                  | 35 000                      | 350 000   |
| Development Bank of S A         | 13,0% | 31/03/2027  | 5 914 181                   |                                       | 586 261  |                  | 5 327 920                   | 5 914 181   |
| Development Bank of S A         | 13,0% | 31/03/2027  | 2 475 732                   | 3 500 478                             | 337 532  | 482              | 5 639 160                   | 2 475 732   |
| Development Bank of S A         | 13,0% | 31/03/2027  | 2 175 021                   | 2 781 516                             | 288 803  |                  | 4 667 733                   | 2 175 021   |
| Development Bank of S A         | 13,0% | 31/03/2027  |                             | 6 524 452                             | 171 696  |                  | 6 352 756                   | 6 524 452   |
| Development Bank of S A         | 16,5% | 1999-2018   | 262 748                     |                                       | 8 178  |                  | 254 570                     | 298 000   |
| Development Bank of S A         | 14,2% | 2000-2019   | 59 555                      |                                       | 5 051  |                  | 54 504                      | 100 000   |
| Development Bank of S A         | 14,4% | 2001-2020   | 86 981                      |                                       | 7 027  |                  | 79 954                      | 140 000   |
| <b>Subtotal carried forward</b> |       |             | <b>21 666 409</b>           | <b>12 806 446</b>                     | <b>2 089 502</b>                                     | <b>(10 181)</b>  | <b>32 373 172</b>           | <b>32 830 040</b>                                   |

## CHAPTER FOUR

### APPENDIX A – SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2009

| EXTERNAL LOANS                  | Rate    | Redeemable | Balance at<br>30/06/08<br>R | Received<br>during the<br>period<br>R | Redeemed<br>written off<br>during the<br>period<br>R | Adjustments<br>R | Balance at<br>30/06/09<br>R | Cost Value of<br>Property,<br>Plant &<br>Equip<br>R |
|---------------------------------|---------|------------|-----------------------------|---------------------------------------|--|------------------|-----------------------------|---|
| <b>Subtotal brought forward</b> |         |            | 21 666 409                  | 12 806 446                            | 2 089 502  | (10 181)         | 32 373 172                  | 32 830 040  |
| Development Bank of S A         | 14,4%   | 2001-2020  | 74 555                      |                                       | 6 023  |                  | 68 532                      | 120 000   |
| Development Bank of S A         | 13,9%   |            | 18 331                      |                                       | 12 221   |                  | 6 110                       | 61 104  |
| Development Bank of S A         | 13,9%   |            | 31 201                      |                                       | 20 800   |                  | 10 400                      | 104 002   |
| Development Bank of S A         | 14,2%   | 2000-2019  | 288 765                     |                                       | 25 534   |                  | 263 230                     | 505 550   |
| Development Bank of S A         | 14,2%   | 2000-2019  | 68 543                      |                                       | 6 061  |                  | 62 482                      | 120 000   |
| Development Bank of S A         | 16,2%   | 1991-2011  | 8 574                       |                                       | 2 427  |                  | 6 147                       | 22 000  |
| Development Bank of S A         | 12,0%   | 1995-2015  | 27 443                      |                                       | 1 882  | (1 530)          | 24 031                      | 37 436  |
| Development Bank of S A         | 16,0%   | 1999-2019  | 60 688                      |                                       | 2 959  |                  | 57 729                      | 72 433  |
| Development Bank of S A         | 16,0%   | 1999-2019  | 363 954                     |                                       | 14 014   |                  | 349 940                     | 419 561   |
| Development Bank of S A         | 15,8%   | 1999-2018  | 1 105 238                   |                                       | 46 948   |                  | 1 058 290                   | 1 417 000   |
| Development Bank of S A         | 13,3%   | 1994-2009  | 18 354                      |                                       | 18 354   |                  | -                           | 130 000   |
| Development Bank of S A         | 13,9%   |            | 29 441                      |                                       | 19 627   |                  | 9 814                       | 98 135  |
| Development Bank of S A         | 13,9%   |            | 29 441                      |                                       | 19 627   |                  | 9 814                       | 98 135  |
| Development Bank of S A         | 13,9%   | 2001-2020  | 2 645 750                   |                                       | 211 660  |                  | 2 434 090                   | 4 500 000   |
| Development Bank of S A         | 16,5%   | 2000-2019  | 2 419 461                   |                                       | 80 285   |                  | 2 339 177                   | 3 398 029   |
| Development Bank of S A         | 14,2%   | 2000-2020  | 1 380 742                   |                                       | 115 062  |                  | 1 265 680                   | 2 301 237   |
| Development Bank of S A         | 16,2%   | 1991-2011  | 201 405                     |                                       | 57 018   |                  | 144 387                     | 501 769   |
| Development Bank of S A         | 0,1%    | 1996-2016  | 111 999                     |                                       | 7 440  |                  | 104 559                     | 131 000   |
| Development Bank of S A         | 13,2%   | 1994-2014  | 53 060                      |                                       | 6 274  |                  | 46 786                      | 91 364  |
| Development Bank of S A         | 13,9%   |            | 205 251                     |                                       | 12 900   | 5 346            | 197 697                     | 250 000   |
| Development Bank of S A         | 13,9%   |            | 598 816                     |                                       | 35 603   |                  | 563 212                     | 690 000   |
| Development Bank of S A         | 13,9%   |            | 27 369                      |                                       | 18 246   |                  | 9 123                       | 91 230  |
| Development Bank of S A         | 13,0%   | 31/03/2027 |                             | 1 422 412                             | 37 432   |                  | 1 384 980                   | 1 422 412   |
| Development Bank of S A         | 13,0%   | 31/03/2027 |                             | 2 528 345                             | 66 535   |                  | 2 461 810                   | 2 528 345   |
| Development Bank of S A         | 13,0%   | 31/03/2027 |                             | 192 500                               | 5 066  |                  | 187 434                     | 192 500   |
| Development Bank of S A         | 13,0%   | 31/03/2027 |                             | 1 698 811                             | 44 706   |                  | 1 654 106                   | 1 698 811   |
| <b>Total annuity loans</b>      |         |            | 31 434 789                  | 18 648 515                            | 2 984 206  | (6 365)          | 47 092 732                  | 53 832 094  |
| <b>LEASE LIABILITY</b>          |         |            |                             |                                       |  |                  |                             |   |
| Finance Leases                  | ± 12.0% | 2009       | 87 575                      | 559 211                               | 157 970  |                  | 488 816                     | 1 422 100   |
| <b>Total Lease Liabilities</b>  |         |            | 87 575                      | 559 211                               | 157 970  |                  | 488 816                     | 1 422 100   |
| <b>TOTAL EXTERNAL LOANS</b>     |         |            | 31 522 364                  | 19 207 725                            | 3 142 176  |                  | 47 581 548                  | 55 254 194  |



## CHAPTER FOUR

### APPENDIX B – ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

|                              | Opening<br>Balance | Cost/Revaluation  |                       |                  | Closing<br>Balance | Opening<br>Balance | Accumulated Depreciation |                     | Closing<br>Balance | Carrying<br>Value  |
|------------------------------|--------------------|-------------------|-----------------------|------------------|--------------------|--------------------|--------------------------|---------------------|--------------------|--------------------|
|                              |                    | Additions         | Under<br>Construction | Disposals        |                    |                    | Additions                | Disposals<br>income |                    |                    |
| <b>Land and Buildings</b>    |                    |                   |                       |                  |                    |                    |                          |                     |                    |                    |
| Erven                        | 15 957 000         | 86 700            | –                     | 966 000          | 15 077 700         | –                  | –                        | –                   | –                  | 15 077 700         |
| Erven & houses               | 88 972 200         | –                 | –                     | 8 072 000        | 80 900 200         | 44 043 838         | 2 736 776                | 4 148 826           | 42 631 788         | 38 268 412         |
| Housing projects             | 11 094 990         | 4 716 067         | –                     | –                | 15 811 057         | 248 505            | 369 833                  | –                   | 618 338            | 15 192 719         |
| Wendy Huise                  | –                  | 90 614            | –                     | –                | 90 614             | –                  | 10 539                   | –                   | 10 539             | 80 075             |
|                              | <b>116 024 190</b> | <b>4 893 381</b>  | <b>–</b>              | <b>9 038 000</b> | <b>111 879 571</b> | <b>44 292 343</b>  | <b>3 117 149</b>         | <b>4 148 826</b>    | <b>43 260 665</b>  | <b>68 618 906</b>  |
| <b>Infrastructure</b>        |                    |                   |                       |                  |                    |                    |                          |                     |                    |                    |
| Sub stations                 | 29 550 457         | 7 733 286         | –                     | –                | 37 283 744         | 9 893 131          | 981 893                  | –                   | 10 875 024         | 26 408 720         |
| Transformer<br>buildings     | 76 202             | –                 | –                     | –                | 76 202             | 27 790             | 2 540                    | –                   | 30 330             | 45 872             |
| Lasbeheer toerusting         | 1 361 368          | –                 | –                     | –                | 1 361 368          | 602 068            | 68 068                   | –                   | 670 136            | 691 232            |
| Switchgear                   | 1 109 498          | –                 | –                     | –                | 1 109 498          | 142 034            | 53 785                   | –                   | 195 819            | 913 679            |
| Electricity Meters           | 1 888 190          | 496 979           | –                     | –                | 2 385 169          | 77 661             | 94 410                   | –                   | 172 071            | 2 213 098          |
| Networks                     | 27 787 026         | 2 016 941         | –                     | –                | 29 803 968         | 8 846 286          | 1 374 087                | –                   | 10 220 373         | 19 583 595         |
| Water Provision              | –                  | 418 426           | –                     | –                | 418 426            | –                  | 1 425                    | –                   | 1 425              | 417 001            |
| Meters                       | –                  | –                 | –                     | –                | –                  | –                  | –                        | –                   | –                  | –                  |
| Hoofnetwerke                 | 51 586 037         | 1 783 004         | –                     | –                | 53 369 040         | 14 217 323         | 2 537 120                | –                   | 16 754 443         | 36 614 597         |
| Landfill sites               | 3 477 091          | –                 | –                     | –                | 3 477 091          | 1 356 234          | 691 245                  | –                   | 2 047 478          | 1 429 612          |
| Randstene                    | 302 000            | –                 | –                     | –                | 302 000            | 159 677            | 15 092                   | –                   | 174 769            | 127 231            |
| Reservoirs, damme &<br>tenke | 6 717 091          | 5 659 394         | –                     | –                | 12 376 485         | 2 707 481          | 364 712                  | –                   | 3 072 194          | 9 304 292          |
| Sanitasie                    | 1 041 878          | –                 | –                     | –                | 1 041 878          | 260 612            | 52 094                   | –                   | 312 706            | 729 172            |
| Suiwering                    | 5 989 194          | 686 213           | –                     | –                | 6 675 407          | 2 838 114          | 289 321                  | –                   | 3 127 435          | 3 547 972          |
| Waterpompe                   | 75 457             | 236 157           | –                     | –                | 311 614            | 4 235              | 16 502                   | –                   | 20 737             | 290 877            |
| Hoofpaaie                    | 1 795 895          | –                 | –                     | –                | 1 795 895          | 656 648            | 119 608                  | –                   | 776 256            | 1 019 639          |
| Strate                       | 15 459 367         | 4 939 240         | –                     | –                | 20 398 606         | 4 694 447          | 1 436 107                | –                   | 6 130 555          | 14 268 052         |
| Bridges                      | –                  | 824 905           | –                     | –                | 824 905            | –                  | 1 020                    | –                   | 1 020              | 823 885            |
| Straatligte                  | 346 074            | 344 371           | –                     | –                | 690 444            | 47 737             | 14 961                   | –                   | 62 698             | 627 747            |
| Stormwaternetwerke           | 5 045 739          | 970 374           | –                     | –                | 6 016 112          | 883 050            | 252 287                  | –                   | 1 135 337          | 4 880 776          |
| Parkeerterreine              | 986 155            | 1 507 384         | –                     | –                | 2 493 539          | 293 454            | 56 280                   | –                   | 349 733            | 2 143 806          |
| Sypaadjies                   | 5 167 604          | 59 729            | –                     | –                | 5 227 332          | 812 485            | 255 880                  | –                   | 1 068 365          | 4 158 967          |
| Padtekens/<br>Inligtingsbord | 109 409            | –                 | –                     | –                | 109 409            | 14 567             | 7 679                    | –                   | 22 246             | 87 163             |
| Rioolnetwerk                 | 15 790 809         | 1 723 398         | –                     | –                | 17 514 207         | 3 584 335          | 747 240                  | –                   | 4 331 575          | 13 182 632         |
| Uitvalwerke                  | 108 868            | –                 | –                     | –                | 108 868            | 10 902             | 5 443                    | –                   | 16 345             | 92 523             |
| Suiweringswerke              | 33 498 774         | 465 809           | –                     | –                | 33 964 583         | 3 907 165          | 1 677 024                | –                   | 5 584 189          | 28 380 394         |
| Rioolpompe                   | 134 056            | 43 147            | –                     | –                | 177 202            | 38 346             | 12 974                   | –                   | 51 319             | 125 883            |
|                              | <b>209 404 239</b> | <b>29 908 756</b> | <b>–</b>              | <b>–</b>         | <b>239 312 996</b> | <b>56 075 783</b>  | <b>11 128 796</b>        | <b>–</b>            | <b>67 204 578</b>  | <b>172 108 417</b> |

## CHAPTER FOUR

### APPENDIX B – ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

|                                   | Opening<br>Balance | Cost<br>Under<br>Additions | Construction | Disposals | Closing<br>Balance | Opening<br>Balance | Accumulated Depreciation<br>Additions | Disposals<br>income | Closing<br>Balance | Carrying<br>Value |
|-----------------------------------|--------------------|----------------------------|--------------|-----------|--------------------|--------------------|---------------------------------------|---------------------|--------------------|-------------------|
| Community Assets                  |                    |                            |              |           |                    |                    |                                       |                     |                    |                   |
| Bewaarskole                       | 2 202 895          | –                          | –            | –         | 2 202 895          | 615 189            | 70 130                                | –                   | 685 319            | 1 517 576         |
| Gemeenskapsale                    | 8 861 843          | 161 901                    | –            | –         | 9 023 744          | 3 013 120          | 195 324                               | –                   | 3 208 443          | 5 815 301         |
| Klinieke                          | 5 859 337          | –                          | –            | –         | 5 859 337          | 2 159 880          | 191 145                               | –                   | 2 351 025          | 3 508 312         |
| Biblioteke                        | 3 623 421          | 52 255                     | –            | –         | 3 675 676          | 1 360 503          | 104 912                               | –                   | 1 465 414          | 2 210 261         |
| Begraafplase                      | 1 117 361          | 28 000                     | –            | –         | 1 145 361          | 185 937            | 34 347                                | –                   | 220 284            | 925 077           |
| Brandweerstasies                  | 761 145            | –                          | –            | –         | 761 145            | 35 759             | 25 371                                | –                   | 61 131             | 700 014           |
| Craft Stalls                      | 299 000            | 72 136                     | –            | –         | 371 136            | 88 395             | 9 923                                 | –                   | 98 318             | 272 818           |
| Museums                           | 1 167 000          | –                          | –            | –         | 1 167 000          | 280 900            | 26 900                                | –                   | 307 800            | 859 200           |
| Sportterreine                     | 10 500 625         | 910 425                    | –            | –         | 11 411 050         | 2 961 164          | 313 291                               | –                   | 3 274 454          | 8 136 595         |
| Parke                             | 10 170 236         | 730 131                    | –            | –         | 10 900 367         | 289 960            | 62 073                                | –                   | 352 033            | 10 548 333        |
| Wandelpaaie                       | 1 007 883          | 7 000                      | –            | –         | 1 014 883          | 139 432            | 50 405                                | –                   | 189 836            | 825 046           |
| Swembaddens                       | 3 190 442          | 43 769                     | –            | –         | 3 234 211          | 1 555 889          | 162 082                               | –                   | 1 717 971          | 1 516 240         |
| Vakansie-oorde &<br>kampeerterrei | 832 066            | –                          | –            | –         | 832 066            | 394 059            | 2 803                                 | –                   | 396 862            | 435 204           |
| Tennisbane                        | 136 418            | –                          | –            | –         | 136 418            | 75 786             | 6 821                                 | –                   | 82 607             | 53 811            |
| Gholfbane/Muurbal                 | 215 000            | –                          | –            | –         | 215 000            | 76 782             | 10 750                                | –                   | 87 532             | 127 468           |
| Geboue                            | 691 000            | –                          | –            | –         | 691 000            | –                  | –                                     | –                   | –                  | 691 000           |
| Meent                             | 23 531 077         | 96 000                     | –            | –         | 23 627 077         | 73 932             | 5 209                                 | –                   | 79 141             | 23 547 937        |
| Ouetehuis                         | 312 000            | –                          | –            | –         | 312 000            | 97 777             | 10 167                                | –                   | 107 943            | 204 057           |
| Ruimtelike                        |                    |                            |              |           |                    |                    |                                       |                     |                    |                   |
| Onwikkelingsraamwerk              | 548 959            | –                          | –            | –         | 548 959            | 142 931            | 18 299                                | –                   | 161 230            | 387 729           |
|                                   | 75 027 707         | 2 101 616                  | –            | –         | 77 129 323         | 13 547 393         | 1 299 950                             | –                   | 14 847 343         | 62 281 979        |
| Leased Assets                     |                    |                            |              |           |                    |                    |                                       |                     |                    |                   |
| Office Equipment<br>(Lease)       | 226 600            | 559 211                    | –            | –         | 785 811            | 145 098            | 198 610                               | –                   | 343 708            | 442 103           |
|                                   | 226 600            | 559 211                    | –            | –         | 785 811            | 145 098            | 198 610                               | –                   | 343 708            | 442 103           |

## CHAPTER FOUR

### APPENDIX B – ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

|                          | Cost               |           |                       |           | Accumulated Depreciation |                    |           |                     |                    |                   |
|--------------------------|--------------------|-----------|-----------------------|-----------|--------------------------|--------------------|-----------|---------------------|--------------------|-------------------|
|                          | Opening<br>Balance | Additions | Under<br>Construction | Disposals | Closing<br>Balance       | Opening<br>Balance | Additions | Disposals<br>income | Closing<br>Balance | Carrying<br>Value |
| Other Assets             |                    |           |                       |           |                          |                    |           |                     |                    |                   |
| Master Planning          | 1 020 974          | –         | –                     | –         | 1 020 974                | 55 965             | 51 049    | –                   | 107 014            | 913 961           |
| Rekenaartoerusting       | 2 378 784          | 465 106   | –                     | 14 191    | 2 829 699                | 1 413 642          | 341 174   | 7 786               | 1 747 030          | 1 082 668         |
| Drukkers                 | 491 084            | 32 189    | –                     | –         | 523 273                  | 337 665            | 59 200    | –                   | 396 865            | 126 408           |
| LAN / WAN                |                    |           |                       |           |                          |                    |           |                     |                    |                   |
| Toerusting               | 312 403            | 18 652    | –                     | 5 162     | 325 892                  | 164 214            | 37 660    | 2 311               | 199 563            | 126 329           |
| UPS                      | 291 872            | 1 030     | –                     | –         | 292 902                  | 228 346            | 27 226    | –                   | 255 573            | 37 329            |
| Kantoormasjiene          | 98 039             | 21 088    | –                     | –         | 119 127                  | 75 049             | 7 642     | –                   | 82 690             | 36 436            |
| Kitchen Equipment        | –                  | 16 527    | –                     | –         | 16 527                   | –                  | 1 042     | –                   | 1 042              | 15 484            |
| Lugreëlaars              | 155 371            | 50 865    | –                     | –         | 206 236                  | 32 785             | 33 912    | –                   | 66 697             | 139 539           |
| Digitale Kameras         | 18 456             | 2 763     | –                     | –         | 21 219                   | 12 408             | 3 009     | –                   | 15 417             | 5 802             |
| Tafels / Lessenare /     |                    |           |                       |           |                          |                    |           |                     |                    |                   |
| Laaie                    | 337 466            | 110 784   | –                     | 1 985     | 446 265                  | 173 060            | 65 257    | 1 735               | 236 583            | 209 682           |
| Stoele / Banke /         |                    |           |                       |           |                          |                    |           |                     |                    |                   |
| Toonbanke                | 348 064            | 100 816   | –                     | –         | 448 880                  | 151 026            | 71 765    | –                   | 222 792            | 226 089           |
| Kabinette / Kaste /      |                    |           |                       |           |                          |                    |           |                     |                    |                   |
| Rakke                    | 419 442            | 54 349    | –                     | –         | 473 790                  | 248 136            | 65 305    | –                   | 313 441            | 160 349           |
| Boekrakk /               |                    |           |                       |           |                          |                    |           |                     |                    |                   |
| Boektrollies             | 9 421              | –         | –                     | –         | 9 421                    | 5 349              | 1 387     | –                   | 6 736              | 2 684             |
| Beddens /                |                    |           |                       |           |                          |                    |           |                     |                    |                   |
| Beddegoed                | 17 043             | –         | –                     | –         | 17 043                   | 5 507              | 3 409     | –                   | 8 916              | 8 128             |
| Elektriese toestelle     | 146 255            | 375 718   | –                     | 3 062     | 518 912                  | 77 979             | 49 028    | 2 382               | 124 625            | 394 287           |
| Allerlei                 | 61 198             | 54 716    | –                     | –         | 115 914                  | 22 476             | 13 469    | –                   | 35 945             | 79 969            |
| Portrette / Skilderye    | 2 085              | –         | –                     | –         | 2 085                    | 294                | 417       | –                   | 711                | 1 374             |
| Gordyne / Blindings      | 113 013            | –         | –                     | –         | 113 013                  | 1 251              | 11 408    | –                   | 12 659             | 100 354           |
| Kantoorafskortings       | 4 583              | –         | –                     | –         | 4 583                    | 367                | 917       | –                   | 1 283              | 3 300             |
| Teken- / Swartborde      | 3 113              | –         | –                     | –         | 3 113                    | 1 448              | 405       | –                   | 1 854              | 1 259             |
| Vertoon- en              |                    |           |                       |           |                          |                    |           |                     |                    |                   |
| Witborde                 | 27 915             | 4 563     | –                     | 301       | 32 178                   | 5 634              | 3 436     | 91                  | 8 978              | 23 199            |
| Emergency                |                    |           |                       |           |                          |                    |           |                     |                    |                   |
| Equipment                | 284 755            | 39 300    | –                     | –         | 324 055                  | 63 397             | 59 220    | –                   | 122 617            | 201 439           |
| Motors                   | 984 132            | 218 509   | –                     | –         | 1 202 640                | 788 569            | 96 908    | –                   | 885 477            | 317 164           |
| Bakkies / Kappies        | 4 802 489          | –         | –                     | 15 000    | 4 787 489                | 2 646 714          | 548 364   | 15 000              | 3 180 078          | 1 607 410         |
| Ander                    |                    |           |                       |           |                          |                    |           |                     |                    |                   |
| passasiersvoertuie       | 256 070            | –         | –                     | –         | 256 070                  | 32 374             | 45 614    | –                   | 77 988             | 178 082           |
| Vragmotors               | 7 909 475          | –         | –                     | –         | 7 909 475                | 3 323 743          | 756 871   | –                   | 4 080 614          | 3 828 861         |
| Brandweervoertuie        | 5 073 618          | –         | –                     | –         | 5 073 618                | 604 674            | 428 612   | –                   | 1 033 286          | 4 040 332         |
| Co-Driver Units          | –                  | 18 649    | –                     | –         | 18 649                   | –                  | 2 647     | –                   | 2 647              | 16 002            |
| Tenk op Voertuig         | 128 603            | –         | –                     | –         | 128 603                  | 39 391             | 12 860    | –                   | 52 252             | 76 351            |
| Kragopwekkers            | 459 442            | 2 570     | –                     | –         | 462 012                  | 49 324             | 62 932    | –                   | 112 256            | 349 756           |
| Trekkers                 | 1 700 418          | –         | –                     | –         | 1 700 418                | 767 440            | 152 331   | –                   | 919 772            | 780 646           |
| Waens                    | 731 280            | –         | –                     | –         | 731 280                  | 256 208            | 48 505    | –                   | 304 712            | 426 568           |
| Kompakteerders           | 1 902 157          | 21 872    | –                     | –         | 1 924 029                | 469 905            | 189 056   | –                   | 658 961            | 1 265 068         |
| Rollers                  | 41 167             | –         | –                     | –         | 41 167                   | 29 372             | 2 987     | –                   | 32 359             | 8 808             |
| Subtotal carried forward | 30 530 186         | 1 610 065 | –                     | 39 701    | 32 100 551               | 12 083 711         | 3 255 026 | 29 305              | 15 309 432         | 16 791 119        |

# CHAPTER FOUR

## APPENDIX B – ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2009

|                                   | Opening<br>Balance | Additions  | Cost<br>Under<br>Construction | Disposals | Closing<br>Balance | Opening<br>Balance | Accumulated Depreciation<br>Additions | Disposals<br>income | Closing<br>Balance | Carrying<br>Value |
|-----------------------------------|--------------------|------------|-------------------------------|-----------|--------------------|--------------------|---------------------------------------|---------------------|--------------------|-------------------|
| Other Assets                      |                    |            |                               |           |                    |                    |                                       |                     |                    |                   |
| Continued                         |                    |            |                               |           |                    |                    |                                       |                     |                    |                   |
| Subtotal brought forward          | 30 530 186         | 1 610 065  | –                             | 39 701    | 32 100 551         | 12 083 711         | 3 255 026                             | 29 305              | 15 309 432         | 16 791 119        |
| Sementmengers                     | 78 306             | –          | –                             | –         | 78 306             | 32 025             | 9 171                                 | –                   | 41 196             | 37 110            |
| Grassnyers/<br>Bossieslaners      | 413 325            | 37 942     | –                             | 2 500     | 448 767            | 199 622            | 63 099                                | 2 500               | 260 221            | 188 546           |
| Plaas masjienerie /<br>implemente | 204 990            | –          | –                             | –         | 204 990            | 204 990            | –                                     | –                   | 204 990            | –                 |
| Algemene<br>Gereedskap            | 79 759             | –          | –                             | –         | 79 759             | 76 830             | 628                                   | –                   | 77 458             | 2 301             |
| Bank-/Hoekslypers                 | 9 208              | 959        | –                             | –         | 10 167             | 8 103              | 566                                   | –                   | 8 670              | 1 498             |
| Bore                              | 25 740             | 23 228     | –                             | –         | 48 967             | 20 303             | 1 949                                 | –                   | 22 251             | 26 716            |
| Algemene<br>Toerusting            | 73 197             | 27 455     | –                             | –         | 100 652            | 51 509             | 11 698                                | –                   | 63 207             | 37 444            |
| Riool Toerusting                  | 6 660              | 17 576     | –                             | –         | 24 237             | 1 420              | 2 167                                 | –                   | 3 587              | 20 649            |
| Kompressors                       | 193 378            | –          | –                             | –         | 193 378            | 155 971            | 9 065                                 | –                   | 165 035            | 28 343            |
| Fire Arms                         | 3 000              | –          | –                             | –         | 3 000              | 3 000              | –                                     | –                   | 3 000              | –                 |
| Laaigrawe                         | 1 413 080          | 1 447 368  | –                             | –         | 2 860 448          | 838 872            | 110 711                               | –                   | 949 583            | 1 910 866         |
| Ingenieurstoerusting              | 366 736            | 607 339    | –                             | 3 143     | 970 933            | 206 069            | 47 335                                | 1 993               | 251 411            | 719 522           |
| Workshop                          |                    |            |                               |           |                    |                    |                                       |                     |                    |                   |
| Equipment                         | 29 797             | –          | –                             | –         | 29 797             | 19 978             | 2 980                                 | –                   | 22 957             | 6 839             |
| Besproeiingspype/<br>Spreiers     | 18 824             | –          | –                             | –         | 18 824             | 18 824             | –                                     | –                   | 18 824             | –                 |
| Kettingsae                        | 21 952             | 19 508     | –                             | 7 206     | 34 253             | 16 437             | 3 259                                 | 55                  | 19 641             | 14 613            |
| LERE                              | 120 225            | 3 160      | –                             | –         | 123 386            | 109 120            | 4 344                                 | –                   | 113 464            | 9 922             |
| SWEISMASJIENE<br>Elektriese       | 5 548              | –          | –                             | –         | 5 548              | 5 548              | –                                     | –                   | 5 548              | –                 |
| Ingenieurstoerustin               | 324 833            | 257 353    | –                             | –         | 582 186            | 166 271            | 63 779                                | –                   | 230 051            | 352 135           |
| Verkeerstoeusting                 | 429 474            | –          | –                             | –         | 429 474            | 314 801            | 43 423                                | –                   | 358 223            | 71 250            |
| Vullisverwydering-<br>toerusting  | 466 309            | –          | –                             | –         | 466 309            | 15 220             | 46 631                                | –                   | 61 851             | 404 458           |
| 2 RIGTING                         |                    |            |                               |           |                    |                    |                                       |                     |                    |                   |
| RADIO'S                           | 324 604            | 19 196     | –                             | 2 096     | 341 703            | 107 047            | 56 262                                | 2 096               | 161 213            | 180 490           |
| Cellphone                         | 180 803            | 6 299      | –                             | 16 575    | 170 527            | 110 696            | 31 504                                | 11 891              | 130 308            | 40 219            |
| Alarms                            | 26 663             | –          | –                             | –         | 26 663             | 19 195             | 2 034                                 | –                   | 21 228             | 5 434             |
| Radio<br>Communication            | 456 877            | –          | –                             | –         | 456 877            | 100 222            | 91 375                                | –                   | 191 597            | 265 280           |
| Buildings / Lean-to<br>/ Fencing  | 24 103 570         | 629 213    | –                             | –         | 24 732 783         | 11 474 473         | 671 083                               | –                   | 12 145 556         | 12 587 227        |
| Workshop                          | 2 721              | –          | –                             | –         | 2 721              | 817                | 91                                    | –                   | 908                | 1 814             |
| Stores                            | 3 548 907          | –          | –                             | –         | 3 548 907          | 753 755            | 37 630                                | –                   | 791 386            | 2 757 522         |
| Landfill sites                    | 3 085 315          | 3 549 932  | –                             | –         | 6 635 247          | 741 426            | 154 821                               | –                   | 896 247            | 5 739 000         |
| Traffic buildings                 | 1 491 291          | 491 811    | –                             | –         | 1 983 101          | 1 296 000          | 7 000                                 | –                   | 1 303 000          | 680 101           |
| Public Toilets                    | 861 000            | –          | –                             | –         | 861 000            | 237 492            | 23 233                                | –                   | 260 726            | 600 274           |
| Farms                             | 9 329 000          | –          | –                             | –         | 9 329 000          | 59 723             | 47 700                                | –                   | 107 423            | 9 221 577         |
| Informal Housing                  | 935 651            | 6 160      | –                             | –         | 941 811            | 46 911             | 46 783                                | –                   | 93 693             | 848 118           |
|                                   | 79 160 928         | 8 754 564  | –                             | 71 221    | 87 844 271         | 29 496 379         | 4 845 347                             | 47 841              | 34 293 885         | 53 550 386        |
| Total                             | 479 843 665        | 46 217 527 | –                             | 9 109 221 | 516 951 971        | 143 556 995        | 20 589 851                            | 4 196 667           | 159 950 180        | 357 001 791       |

## CHAPTER FOUR

### APPENDIX C – SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT 30 JUNE 2009

|                             | Cost                    |                   |                  | Accumulated Depreciation |                         |                   |                  |                         |                        |
|-----------------------------|-------------------------|-------------------|------------------|--------------------------|-------------------------|-------------------|------------------|-------------------------|------------------------|
|                             | Opening<br>Balance<br>R | Additions<br>R    | Disposals<br>R   | Closing<br>Balance<br>R  | Opening<br>Balance<br>R | Additions<br>R    | Disposals<br>R   | Closing<br>Balance<br>R | Carrying<br>Value<br>R |
| Executive & Council         | 1 661 417               | 101 085           | –                | 1 762 502                | 820 960                 | 187 777           | –                | 1 008 737               | 753 765                |
| Corporate Services          | 98 572 670              | 1 620 512         | 217 922          | 99 975 260               | 21 049 584              | 1 455 503         | 37 633           | 22 467 454              | 77 507 806             |
| Finance                     | 2 881 369               | 438 675           | 3 193            | 3 316 851                | 1 634 416               | 404 121           | 1 842            | 2 036 696               | 1 280 156              |
| Planning & Development      | 7 382 561               | 1 491 337         | 12 730           | 8 861 168                | 2 272 997               | 790 566           | 4 592            | 3 058 971               | 5 802 197              |
| Community & Social Services | 9 179 758               | 548 189           | 1 985            | 9 725 963                | 3 109 208               | 372 583           | 1 735            | 3 480 056               | 6 245 906              |
| Housing                     | 108 210 624             | 4 827 338         | 8 823 000        | 104 214 962              | 42 993 755              | 3 075 993         | 4 113 854        | 41 955 894              | 62 259 068             |
| Public Safety               | 9 984 338               | 45 116            | –                | 10 029 453               | 2 107 347               | 879 180           | –                | 2 986 527               | 7 042 926              |
| Sport & Recreation          | 15 715 465              | 1 628 144         | 18 007           | 17 325 603               | 6 441 354               | 931 072           | 9 027            | 7 363 400               | 9 962 203              |
| Waste Management            | 65 934 067              | 5 791 160         | –                | 71 725 227               | 13 321 439              | 4 082 140         | –                | 17 403 579              | 54 321 649             |
| Road Transport              | 29 636 255              | 10 332 075        | –                | 39 968 330               | 8 090 322               | 2 164 783         | –                | 10 255 105              | 29 713 225             |
| Water                       | 65 069 658              | 8 449 623         | –                | 73 519 282               | 20 065 966              | 3 244 584         | –                | 23 310 551              | 50 208 731             |
| Electricity                 | 65 463 296              | 10 944 273        | 29 634           | 76 377 934               | 21 590 257              | 2 993 011         | 26 752           | 24 556 516              | 51 821 418             |
| Other                       | 152 186                 | –                 | 2 750            | 149 436                  | 59 388                  | 8 538             | 1 231            | 66 695                  | 82 741                 |
| <b>TOTAL</b>                | <b>479 843 665</b>      | <b>46 217 527</b> | <b>9 109 221</b> | <b>516 951 971</b>       | <b>143 556 995</b>      | <b>20 589 851</b> | <b>4 196 667</b> | <b>159 950 180</b>      | <b>357 001 791</b>     |

### APPENDIX D – SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

|  |                       |                            |                            | 2008                        |                       |                            | 2009                       |  |  |
|--|-----------------------|----------------------------|----------------------------|-----------------------------|-----------------------|----------------------------|----------------------------|--|--|
|  | Actual<br>Income<br>R | Actual<br>Expenditure<br>R | Surplus/<br>(Deficit)<br>R |                             | Actual<br>Income<br>R | Actual<br>Expenditure<br>R | Surplus/<br>(Deficit)<br>R |  |  |
|  | 13 843 473            | 26 292 935                 | (12 449 462)               | Executive & Council         | 17 788 896            | 31 120 590                 | (13 331 694)               |  |  |
|  | 185 491               | 9 044 807                  | (8 859 316)                | Corporate Services          | 481 559               | 8 633 285                  | (8 151 726)                |  |  |
|  | 42 801 879            | 13 493 689                 | 29 308 190                 | Finance                     | 37 721 502            | 20 225 644                 | 17 495 858                 |  |  |
|  | 1 499 191             | 8 635 802                  | (7 136 611)                | Planning & Development      | 1 572 081             | 9 799 115                  | (8 227 034)                |  |  |
|  | –                     | –                          | –                          | Health                      | –                     | –                          | –                          |  |  |
|  | 1 064 721             | 8 088 260                  | (7 023 539)                | Community & Social Services | 1 994 690             | 9 708 949                  | (7 714 259)                |  |  |
|  | 1 811 660             | 4 683 862                  | (2 872 202)                | Housing                     | 12 900 270            | 10 429 616                 | 2 470 654                  |  |  |
|  | 6 607 470             | 7 262 889                  | (655 419)                  | Public Safety               | 6 047 294             | 9 357 505                  | (3 310 210)                |  |  |
|  | 312 884               | 9 567 734                  | (9 254 850)                | Sport & Recreation          | 255 980               | 11 419 715                 | (11 163 736)               |  |  |
|  | 11 786 588            | 10 610 092                 | 1 176 496                  | Environmental Protection    | 16 686 147            | 12 798 545                 | 3 887 603                  |  |  |
|  | 15 492 539            | 12 892 255                 | 2 600 284                  | Waste Management            | 17 617 955            | 16 381 091                 | 1 236 863                  |  |  |
|  | 378 586               | 9 915 965                  | (9 537 379)                | Road Transport              | 93 804                | 12 315 130                 | (12 221 326)               |  |  |
|  | 20 900 219            | 17 901 936                 | 2 998 284                  | Water                       | 27 838 978            | 21 174 596                 | 6 664 381                  |  |  |
|  | 94 376 803            | 71 225 917                 | 23 150 886                 | Electricity                 | 126 441 016           | 96 339 917                 | 30 101 099                 |  |  |
|  | 503 546               | 505 205                    | (1 659)                    | Other                       | 178 580               | 498 186                    | (319 606)                  |  |  |
|  | 211 565 050           | 210 121 349                | 1 443 701                  | Sub Total                   | 267 618 752           | 270 201 883                | (2 583 132)                |  |  |
|  | –                     | (11 094 752)               | 11 094 752                 | Less Inter–Dep Charges      | –                     | (18 930 535)               | 18 930 535                 |  |  |
|  | 211 565 050           | 199 026 597                | 12 538 453                 | Total                       | 267 618 752           | 251 271 348                | 16 347 403                 |  |  |
|  |                       |                            | –                          | Add: Share of Associate     |                       |                            | –                          |  |  |
|  |                       |                            | 12 538 453                 |                             |                       |                            | 16 347 403                 |  |  |

## CHAPTER FOUR

### APPENDIX E(1) – ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

| REVENUE  | 2009<br>Actual (R) | 2009<br>Budget (R)  | 2009<br>Variance (R) | 2009<br>Variance (%) | Explanation of Significant Variances<br>greater than 10% versus Budget |
|--|--------------------|---------------------|----------------------|----------------------|--|
| Property rates                                     | 20 323 699         | 22 581 806          | (2 258 107)          | (10,00)              |  |
| Property rates - penalties imposed                 | 230 923            | 100 000             | 130 923              | 130,92               |  |
| Service charges                                    | 165 229 142        | 167 169 847         | (1 940 705)          | (1,16)               |  |
| Rental of facilities and equipment                 | 1 077 335          | 1 810 676           | (733 341)            | (40,50)              | Reduction in tariffs   |
| Interest earned - external investments             | 10 789 908         | 7 500 000           | 3 289 908            | 43,87                |  |
| Interest earned - outstanding debtors              | 1 385 766          | 300 000             | 1 085 766            | 361,92               |  |
| Dividends received                                 | –                  | –                   | –                    | 0,00                 |  |
| Fines  | 3 125 430          | 3 249 744           | (124 314)            | (3,83)               |  |
| Licences and permits                               | 1 120 388          | 1 043 629           | 76 759               | 7,36                 |  |
| Income for agency services                         | 1 911 063          | 1 386 548           | 524 515              | 37,83                |  |
| Government grants and subsidies                    | 50 202 239         | 32 908 963          | 17 293 276           | 52,55                | Capital revenue included - GRAP  |
| Other income                                       | 11 589 830         | 10 953 051          | 636 779              | 5,81                 |  |
| Donated/Contributed Property, Plant and Equipment  | 1 346 596          | –                   | 1 346 596            | 0,00                 |  |
| Change in Fair Value                               | –                  | –                   | –                    | 0,00                 |  |
| Gains on disposal of property, plant and equipment |                    | –                   | –                    | 0,00                 |  |
| <b>Total Revenue</b>                               | <b>268 332 320</b> | <b>249 004 264</b>  | <b>19 328 056</b>    | <b>7,76</b>          |  |
| <b>EXPENDITURE</b>                                 |                    |                     |                      |                      |  |
| Executive & Council                                | 33 361 039         | 37 500 167          | (4 139 128)          | (11,04)              |  |
| Corporate Services                                 | 8 633 285          | 10 162 333          | (1 529 048)          | (15,05)              |  |
| Finance  | 20 441 496         | 18 249 750          | 2 191 746            | 12,01                | No cost charged out as result of surplus                               |
| Planning & Development                             | 9 858 994          | 13 781 123          | (3 922 129)          | (28,46)              |  |
| Community & Social Services                        | 7 468 500          | 10 471 247          | (3 002 747)          | (28,68)              |  |
| Housing  | 10 429 616         | 6 708 854           | 3 720 762            | 55,46                | Loss on houses transferred to beneficiaries                            |
| Public Safety                                      | 9 357 505          | 10 406 557          | (1 049 052)          | (10,08)              |  |
| Sport & Recreation                                 | 11 419 715         | 11 898 535          | (478 820)            | (4,02)               |  |
| Waste Water Management                             | 16 381 091         | 13 329 067          | 3 052 024            | 22,90                |  |
| Waste Management                                   | 12 798 545         | 16 041 565          | (3 243 020)          | (20,22)              |  |
| Road Transport                                     | 12 255 250         | 12 006 380          | 248 870              | 2,07                 |  |
| Water  | 21 174 596         | 22 125 615          | (951 019)            | (4,30)               |  |
| Electricity  | 97 400 719         | 99 457 077          | (2 056 358)          | (2,07)               |  |
| Other  | 498 186            | 602 344             | (104 158)            | 917,29               |  |
| Less : Interdepartmental Charges                   | (18 930 535)       | (18 163 662)        | (766 873)            | 4,22                 |  |
| <b>Total Expenditure</b>                           | <b>252 548 205</b> | <b>264 576 952</b>  | <b>(12 028 950)</b>  | <b>(4,55)</b>        |  |
| <b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>          | <b>15 784 318</b>  | <b>(15 572 688)</b> | <b>31 357 006</b>    | <b>(201,36)</b>      |  |

## CHAPTER FOUR

### APPENDIX E(2) – ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2009

#### ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

|                             | 2009<br>Actual<br>R | 2009<br>Total<br>R | 2009<br>Budget<br>R | 2009<br>Variance<br>R | 2009<br>Variance<br>% | Explanation of Significant Variances<br>greater than 10% versus Budget   |
|-----------------------------|---------------------|--------------------|---------------------|-----------------------|-----------------------|--|
| Executive & Council         | 1 000 911           | 1 000 911          | 2 695 400           | (1 694 489)           | (62,87)               | The grant funding for the Thusong Centre was received to late to be spend in the 2008/2009 financial year. The funds was rolled over to the 2009/2010 budget.                                |
| Corporate Services          | 1 305 135           | 1 305 135          | 1 365 000           | (59 865)              | (4,39)                |  |
| Finance                     | 743 627             | 743 627            | 1 069 000           | (325 373)             | (30,44)               | The Disaster Recovery project continued into the 2009/2010 financial year. The unspend funds was rolled over to the 2009/2010 financial yar.   |
| Planning & Development      | 2 229 491           | 2 229 491          | 2 250 000           | (20 509)              | (0,91)                |  |
| Community & Social Services | 578 333             | 578 333            | 635 000             | (56 667)              | (8,92)                |  |
| Housing                     | 10 652 260          | 10 652 260         | 21 018 000          | (10 365 740)          | (49,32)               | The appointed contractor was suspended by the NHBRC for non compliances not rectified. The available funds were not spend on other housing projects as the EIA processes were not completed. |
| Public Safety               | 422 689             | 422 689            | 515 000             | (92 311)              | (17,92)               | The extention to the Traffic Offices in Robertson continued into 2009/2010 financial year.   |
| Sport & Recreation          | 1 346 894           | 1 346 894          | 1 446 877           | (99 983)              | (6,91)                |  |
| Waste Management            | 4 289 125           | 4 289 125          | 5 019 914           | (730 789)             | (14,56)               | The construction of the Recycling Plant continued into 2009/2010 financial year.   |
| Road Transport              | 4 388 942           | 4 388 942          | 4 425 000           | (36 058)              | (0,81)                |  |
| Water                       | 8 329 003           | 8 329 003          | 8 409 609           | (80 606)              | (0,96)                |  |
| Electricity                 | 11 065 514          | 11 065 514         | 11 997 100          | (931 586)             | (7,77)                | The upgrading of the Robertson Main Electricity Substation is a two year project, the remaining funds was rolled over to the 2009/2010 budget.   |
| Other                       | -                   | -                  | -                   | -                     | 0,00)                 |  |
| <b>Total</b>                | <b>46 351 922</b>   | <b>46 351 922</b>  | <b>60 845 900</b>   | <b>(14 493 978)</b>   | <b>(23,82)</b>        |  |

# CHAPTER FOUR

## APPENDIX F – DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF

MFMA, 56 OF 2003

| Grant Description                                     | Balance at<br>30-Jun-08<br>R | Contributions<br>during year<br>R | Operating<br>expenditure<br>during year<br>Transferred<br>to Revenue<br>R | Capital<br>expenditure<br>during year<br>Transferred to<br>Revenue<br>R | Transfers<br>R | Balance at<br>30-Jun-09<br>R |
|---|------------------------------|-----------------------------------|---|---|----------------|------------------------------|
| Re-election of Ward Committees                        | 150 000                      |                                   |   |   |                | 150 000                      |
| Ward Base Planning                                    | 15 057                       | 90 000                            | 105 057   |   |                | -                            |
| INEP Grant - Electrification                          | -                            | 160 000                           | 85 632  | 74 368  |                | -                            |
| Municipal Systems Improvement Grant                   | 791 582                      | 735 000                           | 798 232   |   | (166 376)      | 561 975                      |
| Afwag Behuisings Ontwikkelings                        | 1 892 179                    |                                   |   |   | (1 892 179)    | -                            |
| CWDM I/D Documents Campaign-R2                        | -                            | 100 000                           | 18 323  |   |                | 81 677                       |
| Route 62 Projects CWDM                                | 37 377                       |                                   |   |   |                | 37 377                       |
| PIMS:Performance Management                           | 76 935                       |                                   |   |   |                | 76 935                       |
| PIMS:Project Management Training                      | 17 560                       |                                   |   |   |                | 17 560                       |
| Developmemt McGregor Bridge (Silwer Strand)           |                              | 235 526                           |   |   |                | 235 526                      |
| DPLG - Masterplan - Civil Services                    | 54 386                       |                                   |   |   |                | 54 386                       |
| Projectt Preperation                                  | 62 000                       |                                   |   | 62 000  |                | -                            |
| Safety Report McGregor Dam                            |                              | 230 000                           | 55 000  | 150 000   |                | 25 000                       |
| Bakery Project  |                              | 896 100                           | 92 197  | 516 247   |                | 287 656                      |
| Werkskepping Projekte                                 | 128 050                      |                                   |   |   |                | 128 050                      |
| Thusong Centre  |                              | 1 500 000                         |   |   |                | 1 500 000                    |
| Transport Grant - DORA R1,79m                         | 4                            |                                   | 4   |   |                | -                            |
| Robertson Masakhane project                           | 353 117                      |                                   |   |   |                | 353 117                      |
| Scaife Homes Sanitation                               | 167 671                      |                                   |   |   |                | 167 671                      |
| National Treasury - Finance Management Grant          | 732 249                      | 500 000                           | 798 779   |   |                | 433 471                      |
| 28 Semi-Detached Houses                               | 17 903                       |                                   |   |   |                | 17 903                       |
| Housing Consumer Education CWD                        | 12 250                       | 30 000                            |   |   |                | 42 250                       |
| Housing   |                              | 10 713 700                        |   | 10 713 700  |                | -                            |
| MIIU-EIA - Landfill Site                              | 332 400                      |                                   |   |   |                | 332 400                      |
| Cleaning Recycling Project                            | 589 912                      |                                   |   | 589 912   |                | -                            |
| Pre-paid Watermeters                                  | 154 718                      |                                   | 6 720   | 39 471  |                | 108 528                      |
| Masibambane Programme                                 | 45 000                       |                                   |   |   |                | 45 000                       |
| Cleanest town Award                                   |                              | 120 000                           |   | 120 000   |                | -                            |
| Flood Damage  |                              | 48 000                            | 48 000  |   |                | -                            |
| Equitable Share                                       |                              | 27 025 097                        | 27 025 097  |   |                | -                            |
| Main Road Maintenance                                 |                              | 78 331                            | 78 331  |   |                | -                            |
| Library   |                              | 493 935                           | 493 935   |   |                | -                            |
| Training - SETA                                       |                              | 433 446                           |   |   |                | 433 446                      |
| Montagu Agriculture Union                             |                              | 267 000                           | 267 000   |   |                | -                            |
| Langeberg & Ashton Foods                              |                              | 284 605                           | 284 605   |   |                | -                            |
| DBSA Planning   |                              | 110 466                           | 110 466   |   |                | -                            |
| Unspent conditional grants and receipts - End of year | 5 630 350                    | 44 051 206                        | 30 267 377  | 12 265 697  | (2 058 555)    | 5 089 928                    |
| MIG Projects  | (1 013 599)                  | 5 260 000                         |   | 7 669 165   |                | 1 395 566                    |
| Housing   | 853 236                      | 853 236                           |   |   |                | -                            |
| Investigation Grant                                   | 110 000                      |                                   |   |   |                | 110 000                      |
| Unpaid conditional grants and receipts - End of year  | (50 363)                     | 6 113 236                         | -   | 7 669 165   | -              | 1 505 566                    |
|   | 5 680 713                    | 37 937 970                        | 30 267 377  | 19 934 862  | (2 058 555)    | 3 584 362                    |



## CHAPTER FOUR

### APPENDIX G – FORMAT OF IMPLEMENTATION PLAN FOR MEDIUM AND LOW CAPACITY

#### MUNICIPALITIES

| Name of municipality:   | Breede River Winelands Municipality  | Demarcation Code:                 | WC 026  |
|---|--|-----------------------------------|---|
| Name of preparer:   | Mr. CF Hoffman (Chief Financial Officer)   | Date completed:                   | 30 March 2009   |
| Contact Details:  | 023 6158032  | Financial period:                 | 08/09   |
| Capacity category:  | Medium Capacity  | (delete whichever not applicable) |   |
| Financial reporting standard  | Milestones to be achieved to comply with the standard<br>[include the key challenges that have to be overcome]   | Person responsible                | Estimate date of compliance   |
| Presentation of financial statements<br>(GRAP 1)                            | <ul style="list-style-type: none"> <li>• Preparation of GRAP compliant financial statements.</li> <li>• Challenges as listed below.</li> </ul>   | CFO                               | Completed   |
| Cash flow statements<br>(GRAP 2)  | <ul style="list-style-type: none"> <li>• Obtain a thorough understanding of the format of the cash flow statement.</li> <li>• No challenges to overcome.</li> </ul>  | CFO                               | Completed   |
| Accounting policies, changes in accounting estimates and errors<br>(GRAP 3) | <ul style="list-style-type: none"> <li>• A draft accounting policy has been prepared</li> <li>• The municipality has appointed external specialists to assist with the implementation of GRAP and to capacitate the preparers of the financial statements with the disclosure requirements of GRAP 3.</li> <li>• The municipality will have to investigate what the potential impact of Standards approved but not yet effective may be on the annual financial statements.</li> </ul> | CFO                               | Completed<br>(par 14,19 and 39-31 AFS 30 June 2009)<br>Par 14, 19 and 30-31 will be implemented on 1 July 2009  |
| The Effects of Changes in Foreign Exchange Rates<br>(GRAP 4)                | <ul style="list-style-type: none"> <li>• The municipality is not involved in any foreign currency transactions.</li> </ul>   | CFO                               | Completed   |
| Consolidated and Separate Financial Statements<br>(GRAP 6)                  | <ul style="list-style-type: none"> <li>• The municipality has established through a review that it does not have any entities in which it has a controlling interest.</li> </ul>   | CFO                               | Completed   |
| Investments in Associates<br>(GRAP 7)                                       | <ul style="list-style-type: none"> <li>• The municipality has established through a review that it does not have any entities over which it has significant influence.</li> </ul>  | CFO                               | Completed   |
| Interests in Joint Ventures<br>(GRAP 8)                                     | <ul style="list-style-type: none"> <li>• The municipality must still complete the review to establish if it is involved in any public private partnerships which may constitute a joint venture.</li> </ul>  | CFO                               | Completed   |
| Revenue from Exchange Transactions<br>(GRAP 9)                              | <ul style="list-style-type: none"> <li>• The municipality will review all revenue sources in order to establish compliance with this Standard.</li> <li>• External specialists have been appointed to assist with the review.</li> <li>• The potential impact of paragraph 12 and SAICA Circular 09/06 will have to be assessed.</li> </ul>  | CFO                               | Completed (except paragraph 12 of GAMAP 9 and SAICA Circular 09/06.)<br>Rest of the Standard, AFS 30 June 2009. |
| Construction Contracts<br>(GRAP 11)   | <ul style="list-style-type: none"> <li>• The municipality will review the Standard in order to understand what constitutes a construction contract as defined by the Standard.</li> </ul>  | CFO                               | AFS 30 June 2009  |
| Inventories<br>(GRAP 12)  | <ul style="list-style-type: none"> <li>• The municipality will review the Standard in order to understand its requirements.</li> <li>• The municipality's costing systems will be reviewed in order to establish if its current reporting capability is sufficient to comply with the requirements of the Standard.</li> <li>• Any adjustments required to the costing system will made.</li> </ul>  | CFO                               | AFS 30 June 2009  |

## CHAPTER FOUR

### APPENDIX G – FORMAT OF IMPLEMENTATION PLAN FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES

| Financial reporting standard   | Milestones to be achieved to comply with the standard<br>[include the key challenges that have to be overcome]  | Person responsible | Estimate date of compliance  |
|--|---|--------------------|--|
| Leases<br>(GRAP 13)  | <ul style="list-style-type: none"> <li>• The municipality is currently in the process of reviewing all its operating lease agreements in order to establish if some of these should be classified as finance leases.</li> <li>• The municipality must ensure that all assets financed through finance leases are included in the fixed asset register.</li> <li>• The municipality must review all its lease agreements in order to establish if any of these payments should be “smoothed” as per the Standard.</li> </ul>   | CFO                | Completed<br><br>Completed<br>AFS 30 June 2009   |
| Events after the Reporting Date<br>(GRAP 14)                               | <ul style="list-style-type: none"> <li>• The preparers of the financial statements will have discussions with senior officials and its lawyers in order to determine if any events after reporting date has occurred.</li> </ul>  | CFO                | Completed  |
| Investment Property<br>(GRAP 16)   | <ul style="list-style-type: none"> <li>• The municipality will review the Standard in order to fully understand what constitutes an investment property.</li> <li>• All investment property must be identified.</li> <li>• All investment property must be transferred from PPE to investment property.</li> <li>• A new accounting policy regarding investment property should be prepared and adopted.</li> <li>• The fixed asset register must be amended in order to process investment property transactions.</li> </ul> <p>The full impact of the change in accounting policy must be disclosed in the financial statements.</p>  | CFO                | AFS 30 June 2009   |
| Property, Plant and Equipment<br>(GRAP 17)                                 | <ul style="list-style-type: none"> <li>• The municipality has performed a physical verification of its PPE and prepared a fixed asset register.</li> <li>• The fixed asset register should be reviewed in order to ensure that the funding sources are correct.</li> <li>• An accounting policy regarding the PPE should be prepared and approved.</li> <li>• Infrastructure assets should be identified and valued by engineers.</li> <li>• All land and buildings should be revalued once the new valuation roll is finalized.</li> <li>• Review of useful life of item of PPE recognised in the annual financial statements.</li> <li>• Review of the depreciation method applied to PPE recognised in the annual financial statements.</li> <li>• Impairment of non-cash generating assets. The municipality requires capacity building in order to understand how impairment tests are performed.</li> <li>• Impairment of cash generating assets. The municipality requires capacity building in order to understand how impairment tests are performed.</li> </ul> | CFO                | Completed<br><br>Completed<br>AFS 30 June 2009<br>AFS 30 June 2009<br>AFS 30 June 2010<br>AFS 30 June 2010<br><br>AFS 30 June 2010<br>AFS 30 June 2010 |
| Provisions, Contingent Liabilities and Contingent Assets<br>(GRAP 19)      | <ul style="list-style-type: none"> <li>• The municipality has appointed external specialists to assist with the identification of potential provisions, liabilities and contingent assets.</li> </ul>   | CFO                | Completed  |
| Non-current Assets held for Sale and Discontinued Operations<br>(GRAP 100) | <ul style="list-style-type: none"> <li>• The municipality requires capacity building on this Standard in order to fully understand its requirements.</li> </ul>   | CFO                | AFS 30 June 2010   |
| Agriculture<br>(GRAP 101)  | <ul style="list-style-type: none"> <li>• The municipality has appointed external specialists to assist with the identification of potential biological assets.</li> <li>• The biological assets need to be verified and valued.</li> <li>• The municipality’s costing system needs to be amended in order comply with the requirements of the Standard.</li> <li>• An accounting policy needs to be drafted for the treatment of agricultural assets.</li> </ul>  | CFO                | Completed  |

## CHAPTER FOUR

### APPENDIX G – FORMAT OF IMPLEMENTATION PLAN FOR MEDIUM AND LOW CAPACITY

#### MUNICIPALITIES

| Financial reporting standard  | Milestones to be achieved to comply with the standard<br>[include the key challenges that have to be overcome]   | Person responsible | Estimate date of compliance  |
|---|--|--------------------|--|
| Intangible assets<br>(GRAP 102)   | <ul style="list-style-type: none"> <li>✦ The municipality has appointed external specialists to assist with the identification of potential intangible assets.</li> <li>✦ The asset register needs to be adjusted in order capture all intangible assets.</li> <li>✦ An accounting policy needs to be drafted for the treatment of intangible assets.</li> </ul> |                    | Completed for computer software.<br><br>1 July 2008 for all other intangible assets. |
| Financial Instruments: Disclosures<br>(IFRS 7/AC 144)                                       | <ul style="list-style-type: none"> <li>✦ The municipality needs training and clarification on the impact and requirements of this Standard.</li> </ul>   | CFO                | AFS 30 June 2009   |
| Income Taxes<br>(IAS 12/AC 102)   | <ul style="list-style-type: none"> <li>✦ Not applicable to this municipality.</li> </ul>   |                    |  |
| Employee benefits<br>(IAS 19/AC 116)  | <ul style="list-style-type: none"> <li>✦ The municipality is in the process of preparing the request for quotation for the appointment of actuaries to value all employee benefits.</li> <li>✦ Once the value of the potential liability is calculated, the municipality must determine a phasing-in policy for the provision of the total liability.</li> </ul> | CFO                | Completed  |
| Accounting for Government Grants and Disclosure of Government Assistance<br>(IAS 20/AC 134) | <ul style="list-style-type: none"> <li>✦ The municipality needs training and clarification on the impact and requirements of this Standard.</li> </ul>   | CFO                | AFS 30 June 2009   |
| Financial Instruments: Presentation<br>(IAS 32/AC 125)                                      | <ul style="list-style-type: none"> <li>✦ The municipality needs training and clarification on the impact and requirements of this Standard.</li> </ul>   | CFO                | AFS 30 June 2009   |
| Impairment of Cash-generating Assets<br>(IAS 36/AC 128)                                     | <ul style="list-style-type: none"> <li>✦ The municipality needs training and clarification on the impact and requirements of this Standard.</li> </ul>   | CFO                | AFS 30 June 2010   |
| Financial Instruments: Recognition and Measurement<br>(IAS 39/AC 133)                       | <ul style="list-style-type: none"> <li>✦ The municipality needs training and clarification on the impact and requirements of this Standard.</li> </ul>   | CFO                | AFS 30 June 2009   |
| Impairment of non-cash-generating Assets<br>(IPSAS 21)                                      | <ul style="list-style-type: none"> <li>✦ The municipality needs training and clarification on the impact and requirements of this Standard.</li> </ul>   | CFO                | AFS 30 June 2010   |

*Voted the cleanest Municipality Nationwide*



# Chapter Five

## FINANCIAL PERFORMANCE REPORT

Financial Sustainability

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Income

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Expenditure

*Page 115*



## CHAPTER FIVE

### FINANCIAL PERFORMANCE REPORT

Breede River Winlands Municipality's long-term sustainability hinges on sound financial management practices and compliance with the Municipal Finance Management Act (2003). These financial practices that underpin the municipality's process of effective municipal financial management are planning and budgeting, revenue and expenditure management, reporting and oversight. In the past two financial years the municipality has achieved unqualified audits and compiled its financial statement in the new Generally Recognised Accounting Practice (GRAP) Format.

Each of these components contributes to ensuring that Breede River Winlands municipality's financial expenditure is developmental, effective and efficient and that municipalities / municipal entities is accountable for the effective management of its budgets. The reforms introduced by the MFMA in 2003 form the cornerstone of the broader reform package for Breede River Winlands Municipality, outlined in the 1998 White Paper on Local Government. The MFMA (2003) together with the Municipal Structures Act (1998), the Municipal Systems Act (2000) and the Municipal Property Rates Act (2004), provides the procedures and processes for our Municipality's operations, planning, governance and accountability. Chapter 12 of the MFMA provides specific detail on the financial reporting and auditing requirements to be executed by all municipalities.

The aim of this chapter is to provide an overview of the financial performance of the Breede River Winlands Municipality with the aim of measuring financial results. It further provides an opportunity for planning, so as to ensure that future budgetary allocations are brought in line with functional area activities and outputs.

Information included in this chapter is divided into the following framework:

#### 1. FINANCIAL SUSTAINABILITY

##### Operating results: Revenue and Expenditure

The revenues and expenditures of Breede River Winlands Municipality determine the ability to deliver basic services to our communities. Weaknesses in revenue and expenditure management could constrain our ability to contribute to poverty reduction and economic development.

This section reviews key trends in revenue and expenditures for the current year. It provides a detailed analysis of specific expenditure functions.



#### BREEDE RIVER WINLANDS MUNICIPALITY





## CHAPTER FIVE

### FINANCIAL PERFORMANCE REPORT

#### Allocation of Expenditure

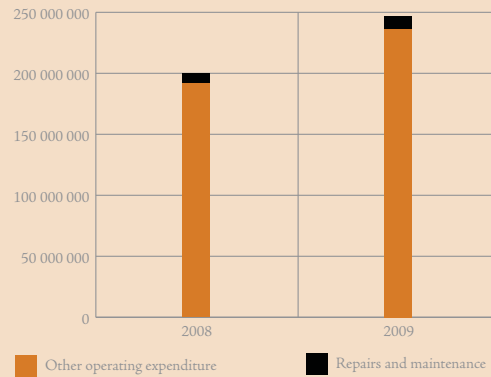
Expenditure on repairs and maintenance remained the same year on year. It is projected that repairs and maintenance will remain at this level over the medium-term while the asset base of Breede River Winlands Municipality continues to grow. Accordingly, the municipality spent 4.2% and 4.2% in 2007/08 and 2008/09 financial year respectively on repairs and maintenance.

The graph below illustrates the allocation of expenditure for repairs and maintenance as a total percentage of the actual operational expenditure.

**Table 42: Percentage Expenditure on Repairs & Maintenance**

|   | 2008        | 2009        |
|---|-------------|-------------|
| Other Operating Expenditure                                 | 193,823,656 | 241,931,300 |
| Repairs & Maintenance                                       | 8,427,801   | 10,616,905  |
| Repairs and Maintenance as the percentage of the total Opex | 4.2%        | 4.2%        |

**Figure 9**



## CHAPTER FIVE

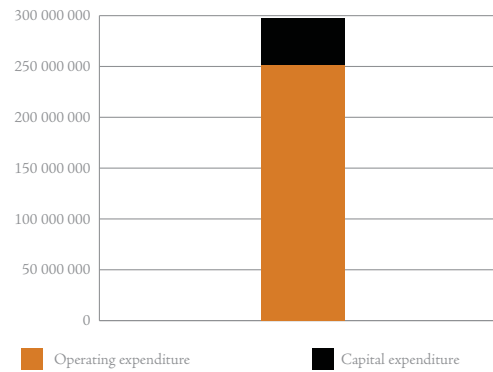
### FINANCIAL PERFORMANCE REPORT

#### Capital and Operation expenditure

Table 43: Capital expenditure compared to overall budget (2008/09)

| BUDGET CATEGORY       | AMOUNT       | %    |
|-----------------------|--------------|------|
| Operating Expenditure | 252,548,205  | 84%  |
| Capital Expenditure   | 46,351,922   | 16%  |
| Total Expenditure     | R298,900,127 | 100% |

Figure 10





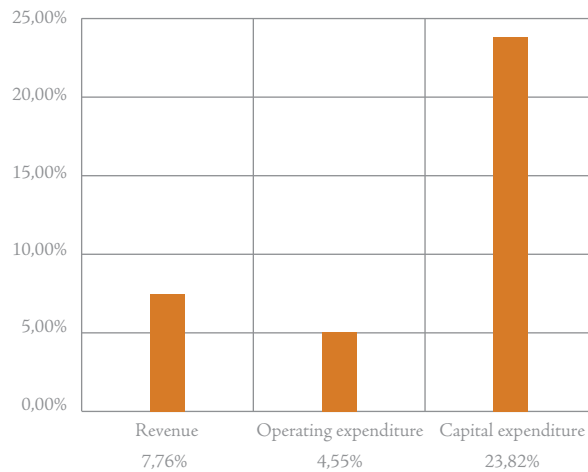
## CHAPTER FIVE

### FINANCIAL PERFORMANCE REPORT

**Table 44: Variance between Actual & Budgeted Expenditure**

|                       | % VARIANCE BETWEEN<br>ACTUAL & BUDGETED<br>EXPENDITURE | VARIANCE   | BUDGET      | ACTUAL      |
|-----------------------|--|------------|-------------|-------------|
| Revenue               | 7.76%  | 18 614 488 | 249 004 264 | 268 332 523 |
| Operating Expenditure | 4.55%  | 13 305 604 | 264 576 952 | 252 548 205 |
| Capital Expenditure   | 23.82%   | 14 493 978 | 60 845 900  | 46 351 922  |

**Figure 11: Variance of Actual Revenue to Expenditure (as compared to original Budget)**



The Variance for revenue & operating expenditure is within the norm, but Capital Expenditure need to improve. The higher than expected variance on the Capital Expenditure is due to the slow delivery on Housing. Only R 4 251 703 of the R 14 908 000 housing grant was spend.

#### Financial ratios based on Key Performance Indicator

The following calculations are to be used to provide key financial ratios for the determination of the financial health of Breede River Winelands Municipality (viability). The information is sourced from the financial statements as financial ratios involve the comparison of elements from both the balance sheet and income statement, and are crafted with particular points of focus in mind. These ratios are to be presented as per the General Key Performance Indicators (Municipal Systems Act Section 43).

#### a) Cost coverage

**Table 45: Cost coverage (2008 and 2009)**

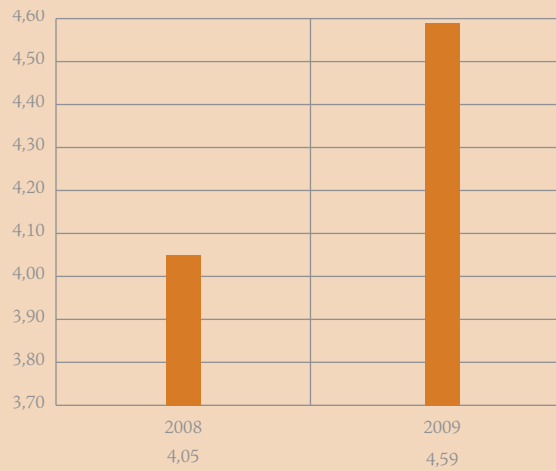
|                                      | 2009       | 2008       |
|--------------------------------------|------------|------------|
| Available cash                       | 3 956 989  | 17 586 389 |
| Investments                          | 92 146 276 | 51 082 923 |
| Monthly fixed operating expenditure. | 21 045 684 | 16 854 288 |
| Cost coverage                        | 4.57       | 4.07       |

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### FINANCIAL PERFORMANCE REPORT

**Figure12: Cost coverage 2008 and 2009**

The available cash is sufficient to cover the operating expenditure for 4.5 (2008: 4.0) months.

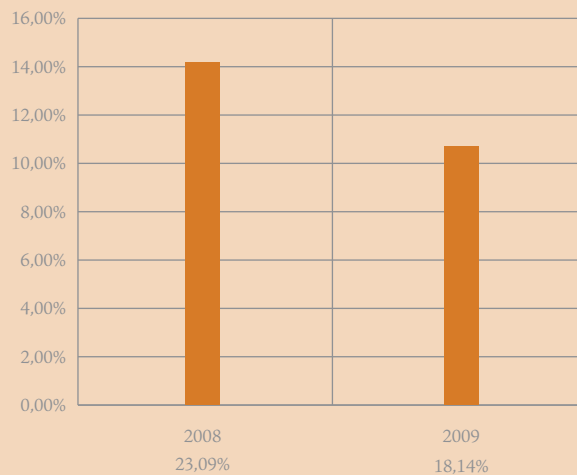


#### b) Outstanding service debtors to revenue:

**Table46: Outstanding service debtors to revenue (2008 and 2009)**

|   | 2009        | 2008        |
|---|-------------|-------------|
| Outstanding service debtors                   | 27 881 747  | 28 035 891  |
| Annual revenue actually received for services | 258 480 114 | 199 473 021 |
| Outstanding service debtors to revenue        | 0.11        | 0.14        |

**Figure13: Outstanding service debtors to revenue**



The outstanding service debtors equal 11% (2008: 14%) of revenue. The improvement is due to the fact that there was a small reduction in outstanding debt, but a substantial increase in revenue.

## CHAPTER FIVE

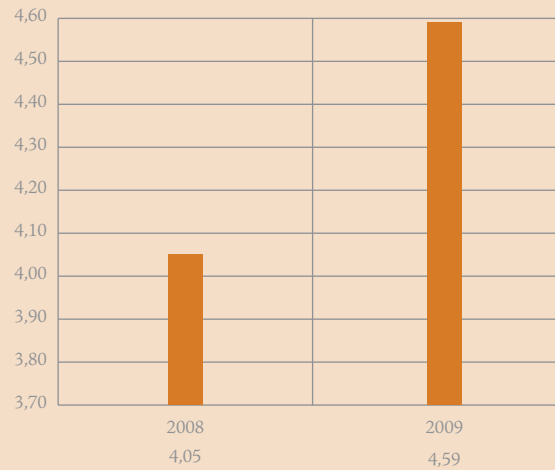
### FINANCIAL PERFORMANCE REPORT

#### a) Debt Coverage

Table 47: Debt coverage 2008 and 2009

|  | 2009        | 2008        |
|--|-------------|-------------|
| Total operating revenue received                           | 268 332 523 | 212 550 627 |
| Grants   | 50 202 239  | 31 687 684  |
| (i.e. interest + redemption) due within the financial year | 12 023 256  | 7 833 757   |
| Debt coverage  | 18.14       | 23.09       |

Figure14: Debt coverage



The operating revenue is sufficient to cover interest and redemption payments on external loans. The decline in the ratio is as a direct result of a new loan taken up with the Development Bank of South Africa.

#### Other financial matters

##### Credit Control

Responsibility includes credit control measurements on outstanding accounts and identifying indigents.

- Through the debt management policy the municipality's debt recovery rate of 97.65% has exceeded the annual target of 96%, as well as the previous financial year's 95%.
- Approximately 4 656 indigents were identified during the 2008/09 financial year, compared to approximately 4 668 indigents households identified during 2007/08.



## CHAPTER FIVE

### FINANCIAL PERFORMANCE REPORT

**Table 48: Indigents per town:**

| 2007/08    |      | 2008/09    |      |
|------------|------|------------|------|
| Robertson  | 1676 | Robertson  | 1532 |
| McGregor   | 40   | McGregor   | 67   |
| Ashton     | 1202 | Ashton     | 1184 |
| Bonnievale | 607  | Bonnievale | 543  |
| Montagu    | 1143 | Montagu    | 1330 |
| Total      | 4668 | Total      | 4656 |

- Outstanding amounts to the value of R 3 431 147.71 owed by indigents was written off during the 2008/09 financial year, compared to approximately R 374 996.95 owed in 2007/08.
- The municipality has a 40% rebate policy on property tax for pensioners (60 years and over) with an income of <=R 2 500 per month.
- The total rebate which was calculated according to the rates policy amounted to R5 601 124 during 2008/09, compared to the 2007/08 financial year's R19 493 197. This huge decrease is due to changes in the tariff structure, inter alia, agricultural properties.

**Table 49: Rebates**

| REBATES  | 2007/08     | 2008/09    |
|--|-------------|------------|
| Rates rebates (residential, government and agricultural) | R18 996 875 | R5 053 903 |
| Rates rebates - pensioners                               | R33 119     | R43 850    |
| Rebates - developers                                     | R436 567    | R492 107   |
| Rebates - land reform                                    | R26 636     | R11 264    |
| Total  | R19 493 197 | R5 601 124 |

## 2. INCOME

### Revenue

Conditional transfers make up the remainder of the resources transferred from national government to municipalities. As the word implies, these grants are based on specific programmes / projects to be initiated by the municipality concerned. Transfers are made directly as cash, or indirectly as assets or support services. Some of the better known transfers include:

- Municipal Infrastructure Grant (MIG)
- Government Grants and Subsidies

### Loans and borrowing:

Borrowing as a financing option carries an intrinsically higher risk compared to financing from own resources and national transfers. The increase in the borrowings is as a direct result of a new loan taken up with the Development Bank of South Africa. The proceeds of the loan were utilized to upgrade sewerage and water infrastructure. A loan of R 20 million will be taken up during the 2009/10 and 2010/11 financial years to finance the upgrading of electricity infrastructure.



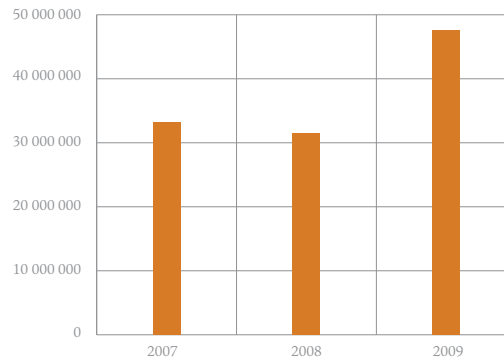
## CHAPTER FIVE

### FINANCIAL PERFORMANCE REPORT

**Table50: Actual Borrowings**

|                   | 2007       | 2008       | 2009       |
|-------------------|------------|------------|------------|
| Actual Borrowings | 33 184 163 | 31 522 364 | 47 581 548 |

**Figure15: Actual Borrowings**



*The increase in external loans is due to the financing of capital expenditure.*

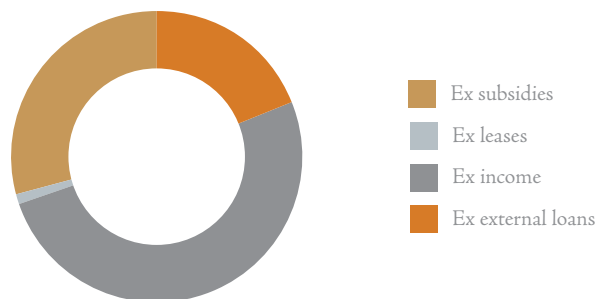
#### **Capital Funding by Source:**

The bulk of the Capital Expenditure is financed from own funds. External loans were used to finance the upgrading of electricity infrastructure. The Municipal Infrastructure Grant and the Housing Grant are the main sources of subsidies used for capital expenditure.

**Table 51: Capital Funding by Source:**

|                   | CAPITAL REVENUE |
|-------------------|-----------------|
| ex External Loans | 8 918 353       |
| ex Income         | 23 999 112      |
| ex Leases         | 559 211         |
| ex Subsidies      | 13 657 105      |

**Figure16: Capital funded by source 2008/09**



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### FINANCIAL PERFORMANCE REPORT

#### Own Revenue:

Breede River Winelands Municipality also generate other revenue in the form of traffic fines, business licences, rental fees, entrance fees for use of municipal facilities and fresh produce markets.

Current revenues are income derived mainly from rates and service charges. Surpluses generated from these sources can be used to finance assets. However, increasing property rates and service charges may not be the only answer to finance infrastructure. This is because it would place an immediate burden on current residents who may not be there to enjoy the benefits of the completed infrastructure in the future.

**Table 52: Actual Revenue by Source**

|                                 | ACTUAL REVENUE BY SOURCE |             |        |        |
|---------------------------------|--------------------------|-------------|--------|--------|
|                                 | 2009                     | 2008        | 2009 % | 2008 % |
| Property rates                  | 20 323 699               | 20 322 854  | 8%     | 10%    |
| Service charges                 | 165 229 142              | 138 457 749 | 62%    | 65%    |
| Interest Earned                 | 12 406 597               | 9 506 253   | 5%     | 4%     |
| Government grants and subsidies | 50 202 239               | 31 687 684  | 19%    | 15%    |
| Other income                    | 20 170 845               | 12 576 087  | 8%     | 6%     |
| Total Revenue                   | 268 332 523              | 212 550 627 | 100%   | 100%   |

**Figure 17: Actual Revenue by Source**



Service charges accounts for 62% (2008: 65 %) of revenue. Electricity provides for 72% (2008: 68%) of service charges.

## CHAPTER FIVE

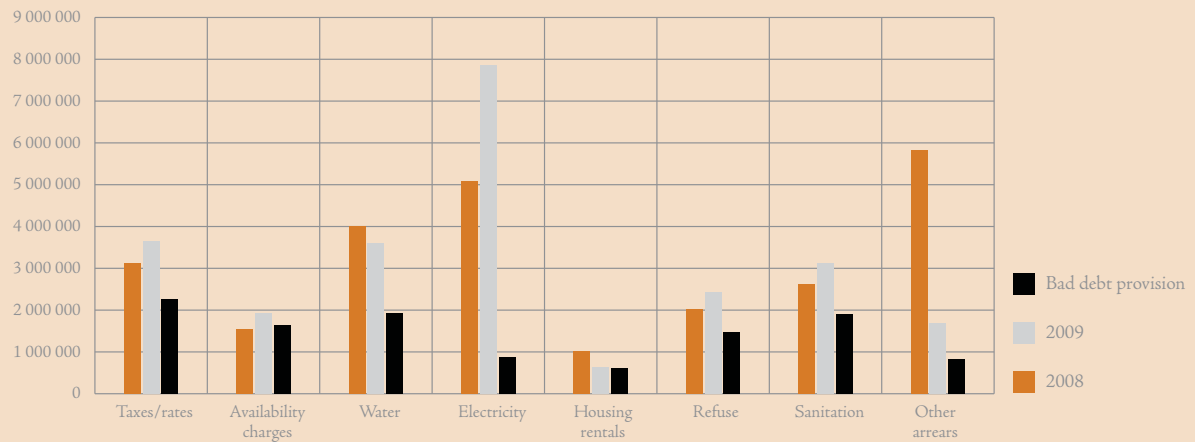
### FINANCIAL PERFORMANCE REPORT

#### Outstanding Consumer Debt:

Table 53: Outstanding Consumer Debtors by Category

| OUTSTANDING CONSUMER DEBTORS PER CLASS |           |           |                    |
|--|-----------|-----------|--------------------|
|  | 2008      | 2009      | BAD DEBT PROVISION |
| Taxes - Rates                          | 3 455 397 | 4 060 952 | 2 516 923          |
| Availability Charges                   | 1 725 714 | 2 143 205 | 1 823 571          |
| Water                                  | 4 444 278 | 4 002 621 | 2 131 195          |
| Electricity                            | 5 640 686 | 8 718 839 | 970 878            |
| Housing Rentals                        | 1 136 195 | 710 271   | 664 771            |
| Refuse                                 | 2 240 085 | 2 691 030 | 1 644 115          |
| Sanitation                             | 2 918 206 | 3 456 222 | 2 112 182          |
| Other Arrears                          | 6 475 330 | 1 868 940 | 907 064            |

Figure 18: Outstanding Consumer Debtors by Category



Although electricity contributes the most to consumer debtors it does not contribute much to the bad debt provision as the recovery rate is high. A slight decrease in debtors was experienced during the 2008/2009 financial year.



## CHAPTER FIVE

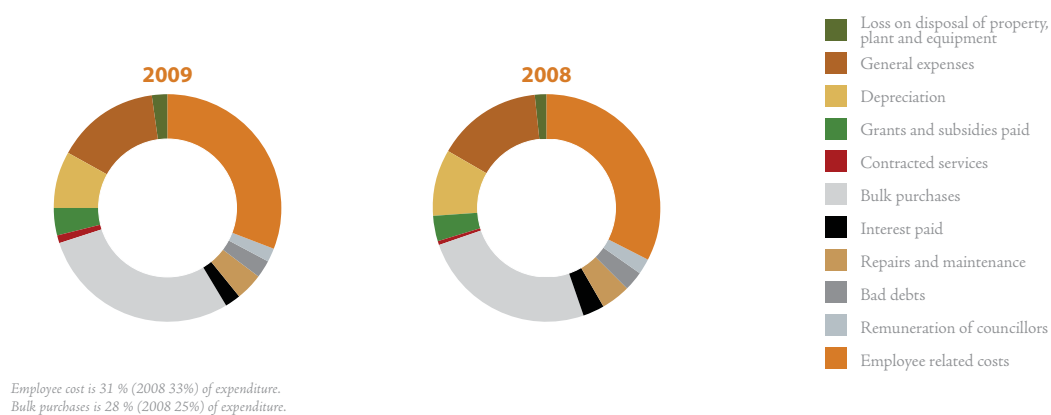
### FINANCIAL PERFORMANCE REPORT

#### 3: EXPENDITURE

Table 54: Actual expenditure by Item 2009

|   | ACTUAL EXPENDITURE BY ITEM |         |
|---|----------------------------|---------|
|   | 2009                       |         |
| Employee related costs                            | 78 176 721                 | 30.96%  |
| Remuneration of Councillors                       | 4 730 734                  | 1.88%   |
| Bad debts   | 6 414 120                  | 2.54%   |
| Repairs and maintenance                           | 10 616 905                 | 4.20%   |
| Interest paid                                     | 8 881 080                  | 3.52%   |
| Bulk purchases                                    | 71 344 891                 | 28.25%  |
| Contracted services                               | 2 757 519                  | 1.09%   |
| Grants and subsidies paid                         | 9 748 267                  | 3.86%   |
| Depreciation and amortisation                     | 20 787 174                 | 8.23%   |
| General expenses                                  | 34 199 622                 | 13.54%  |
| Loss on disposal of property, plant and equipment | 4 891 171                  | 1.95%   |
| Total Expenditure                                 | 252 548 205                | 100.00% |

Figure19: Actual Expenditure by item 2009/8



The main key costs are employee cost which is 31% (2008:33%) of the expenditure and bulk purchases are 28%.





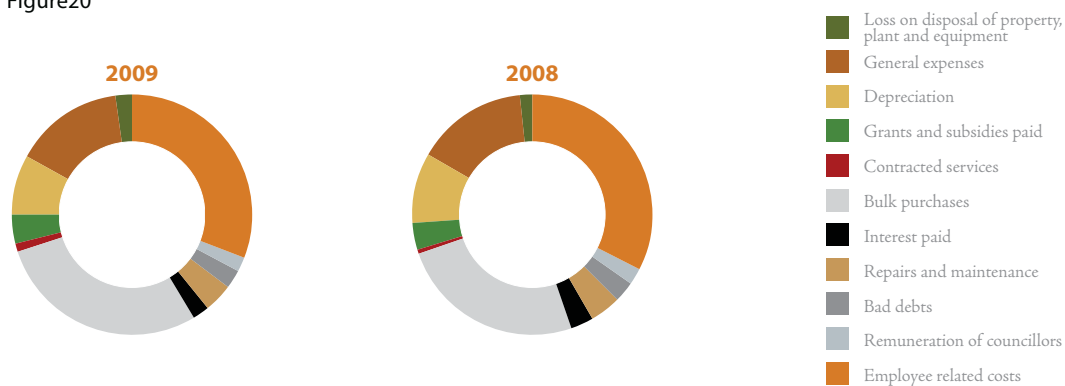
## CHAPTER FIVE

### FINANCIAL PERFORMANCE REPORT

Table 55: Actual expenditure by Item 2008

|   | ACTUAL EXPENDITURE BY ITEM |         |
|---|----------------------------|---------|
|   | 2008                       |         |
| Employee related costs                            | 66 487 702                 | 32.66%  |
| Remuneration of Councillors                       | 4 216 902                  | 2.07%   |
| Bad debts   | 6 104 253                  | 3.00%   |
| Repairs and maintenance                           | 8 427 801                  | 4.14%   |
| Interest paid                                     | 6 116 969                  | 3.00%   |
| Bulk purchases                                    | 50 982 806                 | 25.04%  |
| Contracted services                               | 1 044 855                  | 0.51%   |
| Grants and subsidies paid                         | 7 238 310                  | 3.56%   |
| Depreciation and amortisation                     | 18 110 733                 | 8.95%   |
| General expenses                                  | 30 172 581                 | 14.82%  |
| Loss on disposal of property, plant and equipment | 3 348 546                  | 1.64%   |
| Total Expenditure                                 | 202 251 457                | 100.00% |

Figure20



Employee cost is 31 % (2008 33%) of expenditure.  
Bulk purchases is 28 % (2008 25%) of expenditure.



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### FINANCIAL PERFORMANCE REPORT

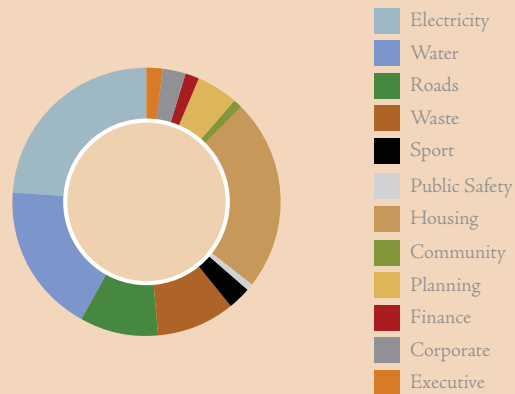
#### Capital expenditure by vote/department

The bulk of capital expenditure is in respect of Housing and Electricity.

Table 56: Actual Expenditure by major user department

| CAPITAL EXPENDITURE BY VOTE | 2009       |
|-----------------------------|------------|
| Executive                   | 1 000 911  |
| Corporate                   | 1 305 135  |
| Finance                     | 743 627    |
| Planning                    | 2 229 491  |
| Community                   | 578 333    |
| Housing                     | 10 652 260 |
| Public Safety               | 422 689    |
| Sport                       | 1 346 894  |
| Waste                       | 4 289 125  |
| Roads                       | 4 388 942  |
| Water                       | 8 329 003  |
| Electricity                 | 11 065 514 |

Figure 21: Actual Expenditure by major user department



*The bulk of capital expenditure is in respect of Housing and Electricity.*



## CHAPTER FIVE

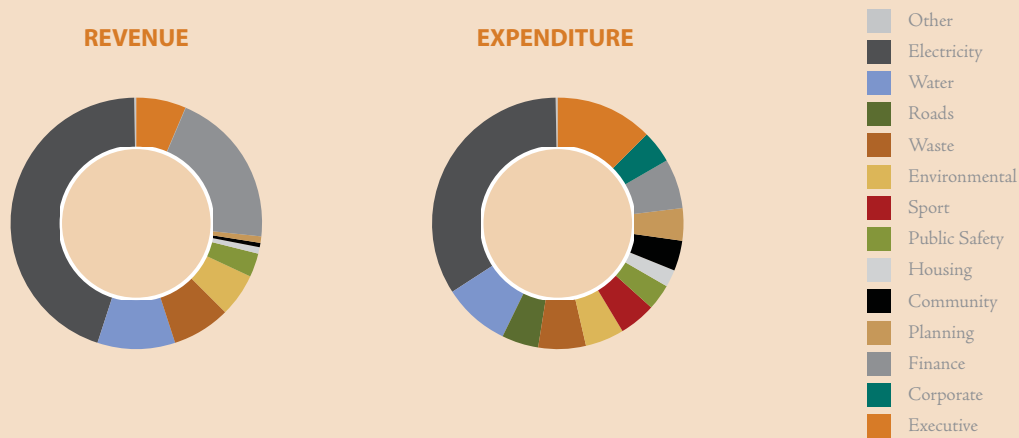
### FINANCIAL PERFORMANCE REPORT

#### Revenue by Vote (2007/08)

Table 57: Revenue by Vote (2007/08)

|               | REVENUE BY VOTE 2007/2008 |         |
|---------------|---------------------------|---------|
| Executive     | 13,843,473                | 6.54%   |
| Corporate     | 185,491                   | 0.09%   |
| Finance       | 43,787,456                | 20.60%  |
| Planning      | 1,499,191                 | 0.71%   |
| Community     | 1,064,721                 | 0.50%   |
| Housing       | 1,811,660                 | 0.86%   |
| Public Safety | 6,607,470                 | 3.12%   |
| Sport         | 312,884                   | 0.15%   |
| Environmental | 11,786,588                | 5.57%   |
| Waste         | 15,492,539                | 7.32%   |
| Roads         | 378,586                   | 0.18%   |
| Water         | 20,900,219                | 9.88%   |
| Electricity   | 94,376,803                | 44.61%  |
| Other         | 503,546                   | 0.24%   |
| Total         | 212,550,627               | 100.00% |

Figure22



*The graph for expenditure is for comparative purposes.*



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### FINANCIAL PERFORMANCE REPORT

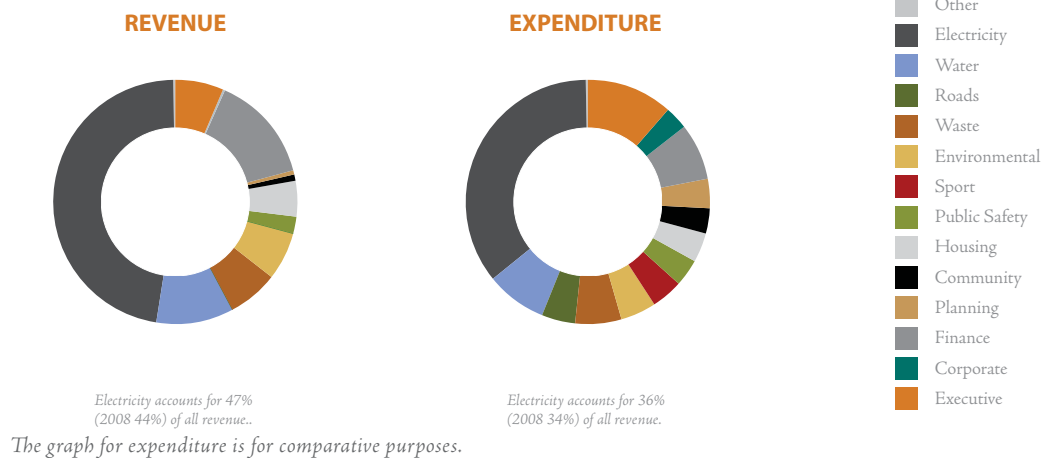
#### Revenue by Vote (2008/09)

Table 58: Revenue by Vote (2008/09)

|               | REVENUE BY VOTE 2008/2009 |         |
|---------------|---------------------------|---------|
| Executive     | 17,788,896                | 6.65%   |
| Corporate     | 481,559                   | 0.18%   |
| Finance       | 38,435,273                | 14.32%  |
| Planning      | 1,572,081                 | 0.59%   |
| Community     | 1,994,690                 | 0.75%   |
| Housing       | 12,900,270                | 4.82%   |
| Public Safety | 6,047,294                 | 2.26%   |
| Sport         | 255,980                   | 0.10%   |
| Environmental | 16,686,147                | 6.24%   |
| Waste         | 17,617,955                | 6.58%   |
| Roads         | 93,804                    | 0.04%   |
| Water         | 27,838,978                | 10.40%  |
| Electricity*  | 126,441,016               | 47.25%  |
| Other         | 178,580                   | 0.07%   |
| Total         | 268,332,523               | 100.00% |

\*Electricity accounts for 47% (2008: 44%) of all revenue

Figure23



## CHAPTER FIVE

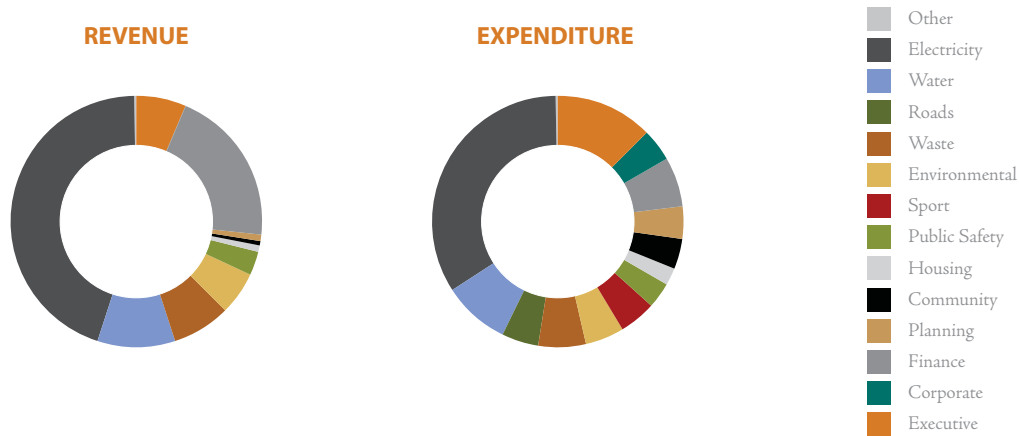
### FINANCIAL PERFORMANCE REPORT

#### Expenditure by Vote (2007/08)

Table 59: Expenditure by Vote (2007/08)

|               | EXPENDITURE BY VOTE 2007/2008 |         |
|---------------|-------------------------------|---------|
| Executive     | 26,292,935                    | 12.51%  |
| Corporate     | 9,044,807                     | 4.30%   |
| Finance       | 13,493,689                    | 6.42%   |
| Planning      | 8,635,802                     | 4.11%   |
| Community     | 8,088,260                     | 3.85%   |
| Housing       | 4,683,862                     | 2.23%   |
| Public Safety | 7,262,889                     | 3.46%   |
| Sport         | 9,567,734                     | 4.55%   |
| Environmental | 10,610,092                    | 5.05%   |
| Waste         | 12,892,255                    | 6.14%   |
| Roads         | 9,915,965                     | 4.72%   |
| Water         | 17,901,936                    | 8.52%   |
| Electricity   | 71,225,917                    | 33.90%  |
| Other         | 505,205                       | 0.24%   |
| Total         | 210,121,349                   | 100.00% |

Figure24



*The graph for revenue is for comparative purposes.*





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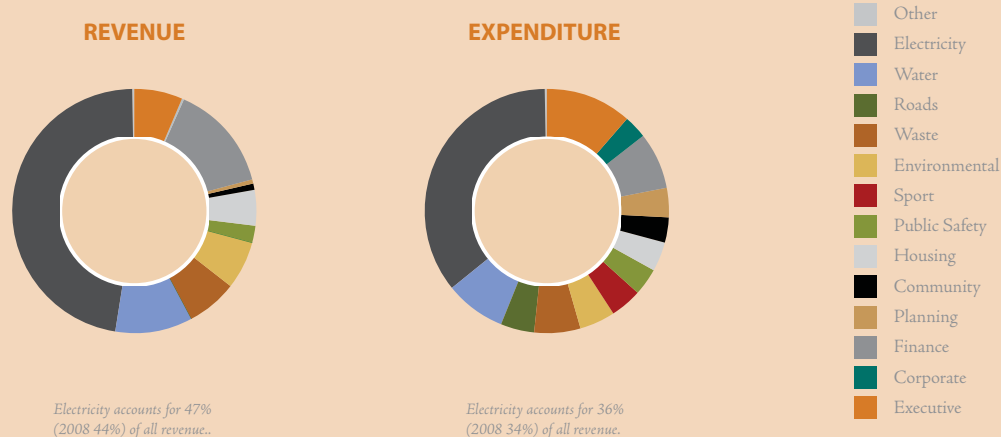
### FINANCIAL PERFORMANCE REPORT

#### Expenditure by Vote (2008/09)

Table 60: Expenditure by Vote (2008/09)

|               | EXPENDITURE BY VOTE 2008/2009 |         |
|---------------|-------------------------------|---------|
| Executive     | 31,120,590                    | 11.52%  |
| Corporate     | 8,633,285                     | 3.20%   |
| Finance       | 20,225,644                    | 7.49%   |
| Planning      | 9,799,115                     | 3.63%   |
| Community     | 9,708,949                     | 3.59%   |
| Housing       | 10,429,616                    | 3.86%   |
| Public Safety | 9,357,505                     | 3.46%   |
| Sport         | 11,419,715                    | 4.23%   |
| Environmental | 12,798,545                    | 4.74%   |
| Waste         | 16,381,091                    | 6.06%   |
| Roads         | 12,315,130                    | 4.56%   |
| Water         | 21,174,596                    | 7.84%   |
| Electricity   | 96,339,917                    | 35.65%  |
| Other         | 498,186                       | 0.18%   |
| Total         | 270,201,883                   | 100.00% |

Figure25



The graph for revenue is for comparative purposes.



# Chapter Six

## ANNUAL PERFORMANCE REPORT

### Infrastructure Development

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### INFRASTRUCTURE DEVELOPMENT

#### Housing

The housing department within the Breede River Winelands Municipality plays a key role in providing an essential basic service i.e. housing delivery. Some of the other functions of this department include; rectification of defects, providing human settlement (informal housing), updating waiting lists, transferring ownership (rental and RDP/BNG Houses), processing subsidy applications, facilitating Housing Consumer Education, selling houses (rental stock) and processing applications for the Enhanced Extended Discount Benefit Scheme (EEDBS). In addition, the department coordinates budget allocations by the Department of Local Government and Housing (DPLG & H).

This section focuses on addressing the need for adequate shelter across the municipal area and providing better quality living environments and affordable housing. It also has to ensure that basic services are provided for in informal settlements; that properties are transferred into the names of beneficiaries, as well as selling houses and managing rental units. Currently an estimated 7969 families are without proper housing and shelter. To address this backlog the municipality needs to deliver 1594 housing units per year over the next five years.

Every financial year, the Breede River Winelands Municipality and the mayoral committee continue to identify housing as a priority. Despite the municipality's commitment, housing delivery has been slow, with only R11 030 046.00 of the R20 208 000.00 allocated budget spent.

#### Challenges 2008/09

- Slow delivery of completed houses by contractor.
- Skills levels of subcontractors.
- Non-compliances issued by NHBRC.
- Payment of suppliers and subcontractors.
- Financial capability of contractor impacting on project completion.

#### Priorities 2008/09

- To complete the projects in Nkqubela, Igloo and Robertson North Infill Sites.
- To have the projects at Zolani, Bonnievale and Mandela Square approved by Provincial Housing.
- To complete Environmental Impact Assessments (EIA) and geotechnical studies in Kogmanskloof and McGregor.
- To submit N6 project applications for approval for Kogmanskloof and McGregor.
- To appoint a developer for development of erf 2 in Robertson.
- To get approval for social housing of erf 4024 in Robertson.
- To register the old Nkqubela hostels for redevelopment into community residential units.

#### Performance 2008/09

During the 2008/09 financial year, 84 of the subsidised low cost RDP houses were built against the target of 233. This was much lower than the 280 houses built during 2007/08. Non payment of sub-contractors and the non compliance with the **National Home Builders Registration Council** (NHBRC) by a contractor resulted in the low delivery of houses. To mitigate the problem, the department will work



### BREEDERIVER WINELANDS MUNICIPALITY





closely with the NHBRC and cancel the contract with the said contractor and complete the project utilising emerging suppliers.

- A target to deliver 735 services for new RDP housing was achieved. This performance is a major improvement on 280 services during 2007/08.
- The target to provide social/inclusionary housing to cater for those above the low cost housing criteria was not achieved, due to the cancellation of the tender process for this project. The tender will be re-advertised in the 2009/10 financial year.
- The EIA and geo-technical study in Kogmanskloof and McGregor was not completed as planned in 2008/09, so the project has been rolled over to the 2009/10 financial year.
- As planned, a developer for the development of erf 2, Robertson was appointed during 2008/09.
- The target to have approval for 52 social housing units on erf 4024 in Robertson, was not achieved. The application is still with the Provincial Government Department for Housing.

#### Future Plans: 2009/10

- The department intends to deliver 628 low cost houses by 30th June 2010.

#### Electricity Services

To alleviate pressure on indigent people, the National Government has implemented the regulation regarding the provision of free basic electricity. In line with this policy, the Breede River Winelands Municipality provides 50 free units of electricity to indigent households with a monthly income of less than R870, and 20 free units to households with a monthly income between R871 and R1740.

Keeping in line with the minimum standard of service delivery, that requires the basic infrastructure to be in place, to allow the community access to electricity and the provision of basic lighting, the municipality has implemented numerous projects and programmes to ensure sustainable provision of electricity to approximately 18122 Breede River Winelands Municipal consumers.

The department provides electricity services, which includes bulk services, reticulation, and maintenance. It also provides maintenance of electrical installations to

municipal buildings. In addition to this, the unit manages major electrification projects through the Integrated National Electrification Programme (INEP).

#### Challenges 2008/09

- Reduce energy losses by 1%.
- Provide electrical services that comply with National Standards.
- Efficient use of electricity as per the national objective to reduce energy consumption by 10%.
- Upgrade of old networks to ensure economic development through the supply of sufficient capacity.

#### Priorities 2008/09

- The upgrading of the Robertson main substation Phase 1.
- The upgrading of feeder protection at the Ashton Main substation.
- The upgrading of the 11 kilo-volt and the 400 volt feeders.
- Installation of miniature substations and transformers.
- Upgrading of street lighting.
- Installation of new street lighting.
- Replacement of old prepaid meters.
- Electrification of RDP houses.
- Purchase of equipment and safety equipment.
- Installing new electrical supplies and the upgrade of existing electrical supplies to consumers.
- Energy savings.
- Electrical losses (technical and non-technical).
- Reparation of flood damage.
- Electrification funding.

#### Performance 2008/09

- Robertson Main substation Phase 1 was upgraded at the cost of R7 200 000.00. The project will benefit all the inhabitants of Robertson as well as the surrounding rural areas. This ensures that sufficient electrical capacity is available for economical development and future housing developments.
- The upgrading of the feeder protection Ashton Main substation was completed at a cost of R 265,000.00, to the benefit of the communities of Ashton, Zolani and the surrounding rural areas.
- To ensure compliance with national safety standards and sufficient supply capacity, the 11 kilo-volt and 400 volt feeders were upgraded, to the benefit of the inhabitants

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### BREEDERIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

of rural areas in Langverwacht, Bonnievale, Bonnievale town, Montagu town and Talana, Montagu.

- The installation of miniature substations and transformers was completed at a cost of R 175,000.00.
- To improve energy savings, 126 streetlights and 500 lamps were replaced with more efficient lamps in Ashton, Bonnievale, Montagu, McGregor and Robertson.
- Thirty four (34) additional street lights were installed in Industrial Road Ashton and a 25 meter high mast with six 1000 watt flood lights in Droëheuwel.
- To secure income for the municipality, electricity meters were replaced in Ashton, Bonnievale, Montagu and Robertson at a cost of R 490,109.00.
- Although material to electrify 178 RDP and farm worker houses was available, only 88 houses were electrified in Iglo's, Nkqubela, McGregor in addition to farm worker houses in Klaasvoogds and Robertson.
- Equipment to detect cable faults was purchased in the 2008/09 financial year, to reduce downtime due to power failures.
- To ensure easily available new electrical supplies were purchased through a tender process and 89 connections were completed to upgrade the existing electrical supplies to consumers.
- Over and above the replacement of streetlights and lamps to reduce energy consumption, the municipality also implemented solar water heating projects and an exchange programme for faulty Compact Florescent Lamps. However, due to economic development in the area, only a 6.26% energy saving was achieved.
- Electrical losses (technical and non-technical) due to faulty meters and electricity theft, was reduced by 1% to an annual loss of 6.8% or 18,908,213 kWh at a cost of ±R3 781 642.00.
- The necessary repairs required due to flood damage to the electrical networks in Montagu Springs, Montagu West and Robertson was completed in Montagu, at a cost of R400 000.00
- A funding application for R160,000.00 for electrification

of houses was approved. Only five farm worker houses were electrified in Klaasvoogds, Robertson, due to a delay in the construction of 55 other infill houses.

- Over 300 vehicles were maintained and repaired to ensure electricity supply to the Breede River Winelands municipal area.

#### Future Plans 2009/10

- Electricity for houses.
- The upgrading of Robertson Main substation, Phase 2.
- The upgrading of Robertson Reticulation Industrial Area.
- Voltage Regulator, Wakkerstroom Oos.
- Replacement of prepaid meters.
- Upgrading of low-tension reticulation lines in Montagu.
- Upgrading the 11Kv: Giep de Kok substation.
- Upgrading the 11Kv lines Rural Stormsvlei/ Kapteinsdrift.
- Installation of a 11Kv Ring Main Feeder, Ashton.
- Relocation of electrical connections for a new housing project.

#### Town Planning

The Town Planning Department plays a crucial role in ensuring that the development of the Breede River Winelands enriches the lives of all citizens, while strengthening the local economy and promoting integration amongst the communities.

The department comprises five specialist teams: Land Management, Spatial Planning, Building Control, Administration of Valuations and Geographic Information Systems. Together, they are responsible for providing guidance on all issues associated with planning, environmental management and sustainability.



The primary responsibility of this department includes inter alia; processing building plans, land use applications, and ensuring compliance with environmental statutes. The department also assists in public projects such as housing developments.

#### Challenges

To sustain the progress it made during 2008/09, the Town Planning Department must address a number of important challenges:

- Recruiting a full complement of staff and one town planning technician.
- Completing the Integrated Zoning Scheme Regulation.
- The municipality has embarked on a process to combine the different zoning schemes within the municipal area into one zoning scheme and will compile an up-dated zoning map in accordance with the Integrated Zoning Scheme. This scheme will replace the existing Section 7 and 8 zoning scheme which is currently applicable within the boundaries of the municipal area. The approval of the regulations will simplify the administration of land use within the municipal area.
- Providing sufficient and accurate basic information.
- An integrated system for the Greater Breederiver Winelands Municipality is based on intra-internet technology that will assist Municipal officials in updating and maintaining information on a daily basis. Existing systems and databases will have to be evaluated and used in the development of the New Integrated Information System. The system will also have to comply with industry standards and be open for further development as the needs and the requirements change within the Council. The system should also be based on sound Geographical Information System (GIS) principles.
- Capturing all outstanding electronic data.
- One of the main outstanding sets of data in the system to date is the zoning layer. This would assist municipal officials in accessing the data more effectively and also maintain it in electronic format. The key challenge encountered by the municipality at present is the

reporting on accurate and up-to-date zoning data, as this information is being maintained in files.

#### Priorities 2008/09

- Determination of flood lines; Montagu/McGregor.
- Integrated Spatial Management Information System.
- Updating of the Spatial Development Framework Plan.
- Integrated Zoning Scheme Regulations.

#### Performance 2008/09

- The Zoning Scheme Regulation document was completed in December 2008. It was however not approved by the Council, who referred the matter back for further discussion.
- 100% of Land Use Applications were processing within 14 days of advertising.
- 96% of the Land Use Applications: referred to Council within eight weeks of comment against the target of 100%. The target could not be achieved, due to the resignation of the Town Planning Technician.
- First concept was completed by 30th April 2009. The target to complete the Spatial Development framework was however not achieved due to the failure to appoint the consultant and because the data necessary for the completion of the framework was outstanding.
- The project that was initiated to determine 1/100 year floodlines was completed in December 2009 in the following areas, Kingna and Keisie rivers in Montagu and Hoeks and Houtbaais rivers in McGregor.
- Building plans: It is encouraging to note that the performance of our systems and processes improved significantly during the year. While this meant that we processed building plans more quickly, the number of building plans we received dropped as the level of building activity in the municipality decreased slightly. We processed all the building plans for developments under 500 sq m and gave feedback to customers within 30 days. We processed all building plans for developments over 500 sq m and gave feedback to customers within 60 days.

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### BREEDERIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

**Table 61: Building Plans:**

| CATEGORY                    | 2006/2007 | 2007/2008 | 2008/2009 |
|-----------------------------|-----------|-----------|-----------|
| Building plans approved     | 637       | 678       | 542       |
| Encroachments approved      | 88        | 64        | 64        |
| Encroachments not approved  | 9         | 53        | 0         |
| Building plans not approved | 15        | 5         | 64        |

- The department did not achieve the target to implement the GIS Project – Phase V, owing to the capturing of zoning scheme data which could only commence once the Zoning Scheme had been approved by Provincial Administration.

**Table 62: Revenue generated through building plan applications:**

| APPLICATIONS OUTSTANDING 1ST JULY 2007 | CATEGORY              | NUMBER OF NEW APPLICATIONS RECEIVED 2007/2008 | TOTAL VALUE OF APPLICATIONS RECEIVED RAND | CATEGORY              | NUMBER OF NEW APPLICATIONS RECEIVED 2008/2009 | TOTAL VALUE OF APPLICATIONS RECEIVED RAND | APPLICATIONS OUTSTANDING 30TH JUNE 2008 |
|--|-----------------------|---|---|-----------------------|---|---|---|
| Not known                              | Residential New       | 117   | 23100.51 m <sup>2</sup><br>R103 952 m     | Residential New       | 103   | 11 078,3 m <sup>2</sup><br>R49 852 350    | Not known                               |
| Not known                              | Residential Additions | 260   | 21685.24 m <sup>2</sup><br>R86 741 m      | Residential Additions | 219   | 16 711,4 m <sup>2</sup><br>R75 201 390    | Not known                               |
| Not known                              | Other Residential     | 11  | 1984.04m <sup>2</sup> R5 952 m            | Other Residential     | 165   | 600,9 m <sup>2</sup> R2 703 870           | Not known                               |
| Not known                              | Commercial            | 35  | 13616.64 m <sup>2</sup><br>R40 850 m      | Commercial            | 43  | 8 612,2 m <sup>2</sup><br>R38 754 855     | Not known                               |
| Not known                              | Industrial            | 16  | 7568.40m <sup>2</sup> R18 846 m           | Industrial            | 29  | 7 830,5 m <sup>2</sup><br>R35 237 250     | Not known                               |
| Not known                              | Minor                 | 198   | Not Known                                 | Minor                 | 75  | Not Known                                 | Not known                               |
|  | TOTAL                 | 637   | 67954.84m <sup>2</sup><br>R256 341 m      | TOTAL                 | 634   | 44 833,3 m <sup>2</sup><br>R201 749 850   |   |

#### Future Plans

- Finalisation of Spatial Development Framework Plan.
- Finalisation of Integrated Zoning Scheme Regulations.

#### Civil Engineering (Roads, Water, Sewerage and Stormwater)

The Civil Engineering Department manages 227.86 kilometres of local roads, and 53.3 kilometres of underground storm water systems. The Breederiver Winelands Municipality must align its resources and focus on the national government's infrastructure development imperative. With this in mind, the Civil Engineering Department has been tasked with the responsibility of managing roads, water, sewerage, storm water, buildings, irrigation water portfolios, as well as the

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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

Municipal Infrastructure Grant (MIG) and the Extended Public Works Programme (EPWP).

#### Challenges 2008/09

To bring water losses down – under 20%.

To provide the public with services of a high standard and to minimise complaints.

#### Priorities 2008/09

- Upgrading of existing water networks (Robertson – 1050 metres and McGregor – 1600 metres).
- Provide new reservoirs for Montagu (in operation) and McGregor (be in operation within the next month).
- Upgrading of existing sand filters at the purification plant.
- Installation of 10 new standpipes in Bonnievale and McGregor .
- Upgrading of existing purification outfall works.
- Upgrading of existing sewer networks – Robertson (connection of new mains - 180 m).
- Upgrading of existing street networks.
- Installation of 10 new toilets in McGregor

#### Tarring of various streets

The department exceeded the target of tarring 1600m of road and 2078 were tarred:

Table 63: Tarring of streets

| STREETSTARRED IN 2007/8 |      | STREETS TARRD IN 2008/09 |      |
|-------------------------|------|--------------------------|------|
| Sweetpea Street         | 57m, | Nel Street               | 184  |
| Roosmaryn Street        | 121m | Hibiscus Street          | 178  |
| Nonyawaza Street        | 205m | Slag Street              | 90   |
| Nyamana Street          | 232m | Violtjie Street          | 270  |
| Rorwana Street          | 237m | Peperbos Street          | 223  |
| Mabombo Street          | 274m | Mimosa Street            | 117  |
| Mpini Street            | 144m | Mafika Street            | 315  |
| Ngonyama Street         | 28m  | Populier Street          | 334  |
|                         |      | Majola Street            | 282  |
|                         |      | Buitekant Street         | 85   |
| Total:                  | 1298 | Total:                   | 2078 |

#### Future Plans 2009/10

- To spend the allocated budget of R3 500 000.00 on building new roads.





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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

Table 64: Performance 2008/09: Civil Engineering

| KEY PERFORMANCE AREAS  | BASELINE 2007/8    | TARGET 2008/09     | ACTUAL 2008/09  | REASON FOR VARIANCE (NEGATIVE)  | CORRECTIVE ACTION   |
|--|--------------------|--------------------|---|---|---|
| Water - complaints   | Less than 10/month | Less than 10/month | 4,25/month  | n/a   | n/a   |
| Water losses   | Less than 20%      | Less than 20%      | 25.4%   | Old networks/<br>flood damage   | Replace broken meters. Metering all connections. Start to upgrade old networks. |
| All households to have access to water within a distance of 200m | 100%               | 100%               | 100%<br>(10 new standpipes in Bonnievale & McGregor)  | n/a   | n/a   |
| Sewerage – quality of effluent in terms of DWAF standards        | 100%               | 100%               | 100%  | n/a   | n/a   |
| Number of households with access to basic toilet facilities      | 100%               | 100%               | 100%<br>(Installation of new toilets in McGregor -10) | n/a   | n/a   |
| Street and storm water - complaints                              | Less than 5/month  | Less than 5/month  | 8/month   | Flood damage/<br>equipment shortages and personnel/<br>standing time of break-downs at workshop | Continuous maintenance  |
| Complete Montagu and McGregor Reservoirs                         | 80%                | 100%               | 100%  |   |   |
| Civil department – adherence to budget allocation                | 100%               | 100%               | 100%  | n/a   | n/a   |



## CHAPTER SIX

### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

**Table 65: Water Quality Report: Per Town**  
**Final effluent ex Ashton STP**

|  | GENERAL LIMIT | JULY 2008 | AUG 2008 | SEPT 2008 | OCT 2008 | NOV 2008 | DEC 2008 | JAN 2009 | FEB 2009 | MARCH 2009 | APRIL 2009 | MAY 2009 | JUNE 2009 | % COMPLIANCE |
|--|---------------|-----------|----------|-----------|----------|----------|----------|----------|----------|------------|------------|----------|-----------|--------------|
| PH (at 25C°)                           | 5.5- 9.5      | 7.12      | 7.05     | 6.94      | 7.15     | 7.57     | 6.95     | 7.06     | 7.13     | 8.03       | 7.35       | 7.63     | 7.18      | 100.00       |
| Conductivity (at 25C°)                 | 150           | 121       | 114      | 120       | 150      | 149      | 146      | 203      | 185      | 177        | 182        | 162      | 158       | 50.00        |
| Faecal Coliforms (organisms per 100ml) | 1000          | Nil       | Nil      | Nil       | 600      | >1000    | Nil      | Nil      | >1000    | >1000      | Nil        | Nil      | Nil       | 75.00        |
|  | mg/l          |           |          |           |          |          |          |          |          |            |            |          |           |              |
| Chemical Oxygen Demand                 | 75.0 max      | 73.3      | 32       | 35.3      | 42.0     | 84.7     | 62.5     | 52.6     | 56.9     | 56.9       | 67.5       | 69.4     | 24.4      | 91.66        |
| Ammonia (as N)                         | 6.0 max       | 12.9      | 12.7     | 8.7       | 20       | 16.1     | 6.15     | 4.9      | 21       | 9.7        | 9.2        | 15.7     | 18.2      | 16.66        |
| Nitrate Nitrogen (as N)                | 15.0 max      | 7.2       | 8.3      | 8.5       | 2.2      | 4.4      | 10.8     | 1.7      | 1.5      | 3.8        | 12.1       | 1.2      | 7.6       | 100.00       |
| Nitrite Nitrogen (as N)                | 15.0 max      | 0.46      | 1.2      | 0.64      | 0.28     | 0.26     | 3.4      | 1.7      | <0.08    | 0.34       | 4.0        | 0.2      | 2.3       | 100.00       |
| Total Suspended Solids                 | 25.0 max      | 2         | 6        | 5         | 1        | 8        | 8        | 2        | 14       | 8          | 19         | 6        | 3         | 100.00       |
| Ortho Phosphorus (as P)                | 10.0 max      | 9.2       | 9.6      | 8.2       | 14.1     | 6.4      | 9.5      | 13.1     | 15.5     | 12.2       | 12.4       | 7.6      | 9.4       | 58.33        |
| Average                                |               |           |          |           |          |          |          |          |          |            |            |          |           | 76.85        |

 A shaded item indicates a non compliance according to the general limit.






## CHAPTER SIX

### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

Table 66: Final effluent ex Bonnievale STP

|  | GENERAL LIMIT | JULY 2008 | AUG 2008 | SEPT 2008 | OCT 2008 | NOV 2008 | DEC 2008 | JAN 2009 | FEB 2009 | MARCH 2009 | APRIL 2009 | MAY 2009 | JUNE 2009 | % COMPLIANCE |
|--|---------------|-----------|----------|-----------|----------|----------|----------|----------|----------|------------|------------|----------|-----------|--------------|
| PH (at 25C°)                           | 5.5- 9.5      | 7.17      | 7.33     | 6.75      | 6.69     | 7.09     | 7.29     | 7.11     | 7.21     | 6.96       | 6.81       | 7.37     | 6.45      | 100.00       |
| Conductivity (at 25C°)                 | 150           | 117       | 103      | 62.3      | 94.5     | 1451     | 163      | 129      | 114      | 107        | 113        | 145      | 75        | 91.66        |
| Faecal Coliforms (organisms per 100ml) | 1000          | >1000     | Nil      | Nil       | Nil      | Nil      | Nil      | Nil      | Nil      | Nil        | Nil        | Nil      | Nil       | 91.66        |
|  | mg/l          |           |          |           |          |          |          |          |          |            |            |          |           |              |
| Chemical Oxygen Demand                 | 75.0 max      | 200       | 84       | 54.9      | 46.1     | 66.5     | 45.8     | 48.6     | 24.4     | 24.4       | 27.8       | 53.1     | 12.2      | 83.33        |
| Ammonia (as N)                         | 6.0 max       | 53.3      | 37.8     | 9.0       | 1.6      | <0.15    | <0.15    | <0.15    | <0.15    | 0.28       | <0.15      | 0.38     | 0.46      | 75.00        |
| Nitrate Nitrogen (as N)                | 15.0 max      | 1.0       | 8.4      | 14.2      | 5.5      | 10.4     | 6.1      | 6.0      | 1.5      | 3.6        | 8.2        | 5.7      | 8.6       | 100.00       |
| Nitrite Nitrogen (as N)                | 15.0 max      | 0.08      | 1.1      | 0.30      | <0.08    | 0.08     | 0.16     | <0.08    | <0.08    | <0.08      | 0.08       | <0.08    | <0.08     | 100.00       |
| Total Suspended Solids                 | 25.0 max      | 54        | 32       | 15        | 6        | 20       | 4        | 3        | 4        | 1          | 1          | 1        | 2         | 83.33        |
| Ortho Phosphorus (as P)                | 10.0 max      | 10.2      | 11.6     | 11.5      | 12.5     | 6.1      | 10       | 9.8      | 4.4      | 10.6       | 9.6        | 7.2      | 8.8       | 72.72        |
| Average                                |               |           |          |           |          |          |          |          |          |            |            |          |           | 88.63        |

 A shaded item indicates a non compliance according to the general limit.



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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

Table 67: Final effluent ex McGregor STP

|  | LIMIT    | JULY 2008 | AUG 2008 | SEPT 2008 | OCT 2008 | NOV 2008 | DEC 2008 | JAN 2009 | FEB 2009 | MARCH 2009 | APRIL 2009 | MAY 2009 | JUNE 2009 | % COMPLIANCE |
|--|----------|-----------|----------|-----------|----------|----------|----------|----------|----------|------------|------------|----------|-----------|--------------|
| PH (at 25C°)                           | 6.0- 9.0 | 7.14      | 7.04     | 7.29      | 7.24     | 7.37     | 7.25     | 7.34     | 7.86     | 7.28       | 7.01       | 7.34     | 6.87      | 100.00       |
| Conductivity (at 25C°)                 | 200      | 125       | 130      | 138       | 212      | 151      | 210      | 170      | 179      | 135        | 141        | 108      | 102       | 100.00       |
| Faecal Coliforms (organisms per 100ml) | 100 000  | Nil       | >1000    | Nil       | Nil      | Nil      | Nil      | Nil      | Nil      | >1000      | Nil        | Nil      | Nil       | 100.00       |
|  | mg/l     |           |          |           |          |          |          |          |          |            |            |          |           |              |
| Chemical Oxygen Demand                 | 400 max  | 68.8      | 60.2     | 54.9      | 52.2     | 41.1     | 58.0     | 77       | 87.8     | 97.6       | 87.3       | 61.2     | 58.8      | 100.00       |
| Ammonia (as N)                         | 6.0 max  | 15.3      | 10.0     | 9.1       | 2.1      | 5.5      | 6.9      | 10.4     | 1.7      | 9.4        | 4.9        | 18.0     | 14.7      | 41.66        |
| Nitrate Nitrogen (as N)                | 15.0 max | 8.3       | 4.6      | 7.0       | 5.1      | 4.3      | 2.4      | 1.6      | 1.9      | 0.7        | 4.6        | 7.4      | 4.9       | 100.00       |
| Nitrite Nitrogen (as N)                | 15.0 max | 2.2       | 0.14     | 1.3       | 0.06     | 0.7      | 0.26     | <0.08    | 0.16     | >0.08      | 1.3        | 1.8      | 1.2       | 100.00       |
| Total Suspended Solids                 | 25.0 max | 7         | 4        | 8         | 1        | 7        | 7        | 6        | 12       | 10         | 31         | 7        | 5         | 91.66        |
| Ortho Phosphorus (as P)                | 10.0 max | 10.3      | 7.2      | 6.0       | 7.3      | 3.3      | 9.1      | 12.9     | 12.1     | 14.4       | 13.8       | 9.4      | 8.2       | 66.66        |
| Average                                |          |           |          |           |          |          |          |          |          |            |            |          |           | 88.88        |

A shaded item indicates a non compliance according to the general limit.



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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

Table 68: Final effluent ex Robertson STP

|  | GENERAL LIMIT | JULY 2008 | AUG 2008 | SEPT 2008 | OCT 2008 | NOV 2008 | DEC 2008 | JAN 2009 | FEB 2009 | MARCH 2009 | APRIL 2009 | MAY 2009 | JUNE 2009 | % COMPLIANCE |
|--|---------------|-----------|----------|-----------|----------|----------|----------|----------|----------|------------|------------|----------|-----------|--------------|
| PH (at 25C°)                           | 5.5- 9.5      | 7.36      | 7.58     | 7.57      | 7.43     | 7.37     | 7.35     | 7.67     | 7.78     | 7.61       | 7.4        | 7.51     | 7.15      | 100.00       |
| Conductivity (at 25C°)                 | 150           | 133       | 154      | 160       | 204      | 151      | 169      | 163      | 136      | 148        | 129        | 142      | 134       | 50.00        |
| Faecal Coliforms (organisms per 100ml) | 1000          | Nil       | Nil      | Nil       | Nil      | Nil      | >1000    | Nil      | >1000    | Nil        | Nil        | >1000    | >1000     | 66.66        |
|  | mg/l          |           |          |           |          |          |          |          |          |            |            |          |           |              |
| Chemical Oxygen Demand                 | 75.0 max      | 40.1      | 52       | 43.1      | 81.6     | 41.1     | 70.0     | 45.1     | 51.0     | 69.1       | 31.7       | 126      | 163       | 75.00        |
| Ammonia (as N)                         | 6.0 max       | 19.2      | 37.8     | 20.2      | 26.4     | 5.5      | 7.1      | 8.9      | 14.2     | 5.7        | 8.0        | 32.0     | 36.2      | 16.66        |
| Nitrate Nitrogen (as N)                | 15.0 max      | 1.8       | 2.8      | 2.7       | 4.5      | 4.3      | 4.2      | 3.0      | 2.7      | 1.1        | 2.0        | 2.5      | 7.0       | 100.00       |
| Nitrite Nitrogen (as N)                | 15.0 max      | 0.42      | 0.68     | 0.62      | <0.08    | 0.7      | 0.9      | 0.08     | 0.56     | 0.16       | 1.2        | <0.08    | 0.1       | 100.00       |
| Total Suspended Solids                 | 25.0 max      | 3         | 7        | 8         | 2        | 7        | 22       | 18       | 4        | 10         | 7          | 31       | 20        | 91.66        |
| Ortho Phosphorus (as P)                | 10.0 max      | 9.0       | 10.5     | 6.5       | 10.6     | 3.3      | 8.6      | 6.1      | 14.0     | 7.4        | 8.4        | 9.6      | 10.4      | 91.66        |
| Average                                |               |           |          |           |          |          |          |          |          |            |            |          |           | 76.85        |

 A shaded item indicates a non compliance according to the general limit.



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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

Table 69: Final effluent ex Montagu STP

|   | GENERAL<br>LIMIT | JULY<br>2008 | AUG<br>2008 | SEPT<br>2008 | OCT<br>2008 | NOV<br>2008 | DEC<br>2008 | JAN<br>2009 | FEB<br>2009 | MARCH<br>2009 | APRIL<br>2009 | MAY<br>2009 | JUNE<br>2009 | %<br>COMPLIANCE |
|---|------------------|--------------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|---------------|---------------|-------------|--------------|-----------------|
| PH<br>(at 25C°)                                 | 5.5- 9.5         | 7.22         | 6.76        | 7.48         | 7.26        | 7.35        | 8.04        | 7.83        | 7.92        | 7.57          | 7.17          | 7.54        | 7.44         | 100.00          |
| Conductivity<br>(at 25C°)                       | 150              | 128          | 134         | 112          | 155         | 121         | 147         | 186         | 173         | 175           | 161           | 133         | 116          | 58.33           |
| Faecal<br>Coliforms<br>(organisms<br>per 100ml) | 1000             | Nil          | > 1000      | Nil          | >1000       | Nil         | Nil         | Nil         | Nil         | Nil           | >1000         | Nil         | Nil          | 75.00           |
|   | mg/l             |              |             |              |             |             |             |             |             |               |               |             |              |                 |
| Chemical<br>Oxygen<br>Demand                    | 75.0 max         | 141          | 128         | 216          | 281         | 206         | 128         | 148         | 141         | 378           | 183           | 151         | 126          | 0.00            |
| Ammonia<br>(as N)                               | 6.0 max          | 34.0         | 30.8        | 43.2         | 0.14        | 29.6        | 43.0        | 43.6        | 40.2        | 26.4          | 32.0          | 33.0        | 30.4         | 8.33            |
| Nitrate<br>Nitrogen<br>(as N)                   | 15.0 max         | 1.2          | 5.0         | 1.3          | 3.4         | <0.2        | 4.2         | 5.3         | 7.5         | 1.7           | 7.5           | 1.3         | 5.9          | 100.00          |
| Nitrite<br>Nitrogen<br>(as N)                   | 15.0 max         | 0.10         | <0.08       | 0.14         | <0.08       | 0.70        | 0.90        | 0.14        | <0.08       | 0.10          | <0.08         | 0.10        | 0.28         | 100.00          |
| Total<br>Suspended<br>Solids                    | 25.0 max         | 29           | 28          | 46           | 10          | 55          | 19          | 49          | 11          | 72            | 52            | 23          | 32           | 33.33           |
| Ortho<br>Phosphorus<br>(as P)                   | 10.0 max         | 14.3         | 13.7        | 10.8         | 11.5        | 10.9        | 9.4         | 11.7        | 23.0        | 13.6          | 8.6           | 6           | 3.6          | 33.33           |
| Average   |                  |              |             |              |             |             |             |             |             |               |               |             |              | 56.48           |

A shaded item indicates a non compliance according to the general limit.



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### BREEDERIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

#### Municipal Infrastructure Grant Unit (MIG)

The Municipal Infrastructure Grant is a conditional grant from the Department of Local Government and Housing (DPLG&H) to the local government. It is designed to supplement municipal capital budgets for the provision of basic infrastructure to the poor. In the past ten years, the municipality has experienced a steady increase in population growth resulting in an escalated demand for basic services, such as water delivery and sewerage purification. The Breede River Winelands Municipality has a business unit called Programme Management Unit (PMU) and its responsibility is to identify infrastructure projects that qualify for inclusion to the location. Moreover, the PMU registers the projects, coordinates the programme, and integrates them into municipality priorities, while monitoring and reporting on their progress.

During 2008/09, the MIG grant formed a substantial portion of Breede River's total capital budget of R 60 399 875. The MIG budget of R 5 308 000 was allocated and R 7 717 165 spent on various projects.

Table 70: MIG Budget

| BUDGET ACTIVITY        | 2005/06        | 2006/07        | 2007/08        | 2008/09       |
|------------------------|----------------|----------------|----------------|---------------|
| Approved budget amount | R 3 550 642.97 | R 4 223 143.50 | R 4 401 851.39 | R 5 308 000   |
| Spent budget amount    | R 3 550 642.97 | R 4 223 143.50 | R 4 401 851.39 | R 7 717 165   |
| Variance               | R 0.00         | R 0.00         | R 0.00         | - R 2 409 165 |

All the projects undertaken by the municipality were high priority projects, labour intensive and facilitated local economic development through job creation. All employed the services of local SMMEs and BEE compliant companies, thereby aiding the slow transformation of the municipality.

Table 71: The projects listed below were funded through the MIG grant:

| MIG FUNDED PROJECT    | BUDGET         |
|-----------------------|----------------|
| Recycling plant       | R 1 377 447.57 |
| Ashbury reservoir     | R 446 188.24   |
| McGregor bulk water   | R 4 199 976.30 |
| Central landfill site | R 1 645 552.43 |

None of the MIG funds were rolled over to the 2009/10 financial year.

#### Expanded Public Works Programme (Epwp)

The EPWP is one of Breede River Winelands Municipality's initiatives to bridge the gap between the growing Winelands economy and the large number of unskilled and unemployed people who have yet to fully enjoy the benefits of economic development in the area.

In the municipality, the programme set a target of providing employment opportunities and training through the labour-intensive Municipal Infrastructure Grant and Breede River funded infrastructure projects.





## CHAPTER SIX

### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

#### Performance 2007/08

- Breeder River Winelands Municipality had four medium to large scale infrastructure and labour-intensive projects.
- There was an increase in the number of jobs created through the EPWP during the 2008/09 financial year with a total of 376 jobs created compared to the 369 jobs created in the 2007/08 financial year.

Table 72: Expanded Public Works Programme:

| PROJECT   | PROJECT DESCRIPTION  | NUMBER OF JOBS CREATED | YOUTH EMPLOYED | WOMEN EMPLOYED | MALES EMPLOYED |
|---|--|------------------------|----------------|----------------|----------------|
| Cleaning the townships in the municipal area  | Cleaning of townships in the municipal area using the unemployed in that specific area | 165                    | 0              | 107            | 58             |
| Upgrading of storm water systems and cleaning up after the floods on Voortrekker Street | Storm water upgrade and cleaning   | 107                    | 0              | 12             | 95             |
| Installation of services in Nkqubela for housing project                                | Installation of basic services   | 33                     | 0              | 0              | 33             |
| Cleaning up the town of McGregor, the dumping site and the dams in that area            | Cleaning of street   | 71                     | 0              | 47             | 24             |
|   | Total  | 376                    | 0              | 166            | 210            |

#### COMMUNITY SERVICES

##### Library and Auxiliary Services

The department is responsible for the maintenance, the management and control of libraries, swimming pools and the community halls.

#### Priorities 2008/09

- To establish customer and environmentally friendly public facilities for the whole community and to create a safe and healthy workplace for the personnel.
- To provide equipment and technology for better service delivery.

Table 73: Performance 2008/09

| KEY PERFORMANCE AREAS           | BASELINE 2007/8 | TARGETS 2008/09 | ACTUAL 2008/09 | REASON FOR VARIANCE (NEGATIVE)  | CORRECTIVE ACTION                                |
|---------------------------------|-----------------|-----------------|----------------|---|--|
| 1. Upgrading of libraries       | 100%            | 100%            | 87.96%         | Supplier could not deliver with-in timeframe. Air conditioner was ordered in advance, but was out of stock. |  |
| 2. Upgrading of community halls | 0%              | 100%            | 97.81%         | Not Applicable  |  |
| 3. Community Hall: McGregor     | 0%              | 100%            | 82.1%          | Project was cancelled due to appeals regarding site   | Upgrading of existing building into civic centre |
| 4. Upgrading of swimming pools  | 100%            | 100%            | 99.97%         | Not applicable  |  |
| 5. Equipment: swimming pools    | 100%            | 100%            | 98.39%         | Not applicable  |  |

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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

#### Libraries

The Breeder River Winelands Municipality has nine libraries under its jurisdiction situated in Bonnievale, Happy Valley, Montagu, Sunnyside, Ashton, Zolani, Mountain View, McGregor and Robertson. These libraries have approximately 15,614 members; of which 5,104 are children and 10,510 are adults. This is a -0.99% decrease in membership from the 2007/08 financial year.

Libraries circulated a total of 366,374 pieces of material during the 2008/09 financial year. More than 15,614 people borrowed; 253,756 adult books, 96,285 children's books, 9,716 magazines, 3,119 CDs and tapes, and 1,676 videos and 1,822 DVDs from the nine different libraries. This is a 0.96% decrease in the circulation of library materials from the 2007/08 financial year.

The department committed to a R164 189.71 maintenance budget, to be spent on minor and major upgrades in all libraries. However the libraries upgrade project was only 87% completed, due to a delay in the delivery of the new air conditioning unit.

Table 74: Libraries projects:

|  |  |
|--|--|
| <b>UPGRADING OF ROBERTSON LIBRARY</b> <ul style="list-style-type: none"> <li>• Repair the leaking roof</li> <li>• Install blinds</li> </ul>  | <b>UPGRADING OF MOUNTAIN VIEW LIBRARY</b> <ul style="list-style-type: none"> <li>• Installation of air conditioners</li> <li>• Replacement of the court yard roof</li> <li>• New work stations for computers</li> <li>• Purchase new chairs</li> <li>• Purchase of new equipment (DVD player)</li> </ul> |
| <b>UPGRADING OF HAPPY VALLEY LIBRARY</b> <ul style="list-style-type: none"> <li>• Replacement of floor tiling with carpet</li> <li>• Upgrading of toilets</li> <li>• Upgrading of kitchen</li> <li>• Installation of air conditioners in the study room</li> <li>• Purchase of new equipment (microwave, vacuum cleaner, television, DVD player and television)</li> </ul> | <b>UPGRADING OF MCGREGOR LIBRARY</b> <ul style="list-style-type: none"> <li>• Renovation of wooden windows</li> <li>• Purchase of DVD player</li> </ul>  |
| <b>UPGRADING OF MONTAGU LIBRARY</b> <ul style="list-style-type: none"> <li>• Installation of new book shelves</li> <li>• Purchase of new equipment (television and DVD player)</li> </ul>  | <b>UPGRADING OF SUNNYSIDE LIBRARY</b> <ul style="list-style-type: none"> <li>• Installation of air conditioners</li> <li>• Upgrading of kitchen</li> <li>• Purchase of new equipment (DVD player, microwave, bar fridge and television)</li> </ul>   |
| <b>UPGRADING OF ASHTON LIBRARY</b> <ul style="list-style-type: none"> <li>• Installation of alarm system</li> <li>• Painting of exterior</li> <li>• Replacement of fascia boards</li> <li>• Purchase of new equipment (DVD player)</li> <li>• Upgrading of garden</li> </ul>   | <b>UPGRADING OF BONNIEVALE LIBRARY</b> <ul style="list-style-type: none"> <li>• Replacement of the 'out of order' air conditioners</li> <li>• Upgrading of the garden</li> <li>• Purchase of new equipment (television, DVD player, bar fridge)</li> </ul>   |



#### Swimming Pools

The municipality has two swimming pools in Robertson. Although there is no official record of the visitors making use of these pools, during the 2008/09 financial year, the municipality generated more than R127 093.27 in revenue. This is an increase from the R118 412.50 generated during the 2007/08 financial year. The department expended 99% of the R192 640.14 budget to complete the necessary maintenance work on the Dirkie Uys Street and Robertson North swimming pools.

Table 75: Maintenance work completed

|   |   |
|---|---|
| <b>UPGRADING OF THE DIRKIE UYS STREET SWIMMING POOL</b> | <ul style="list-style-type: none"> <li>• Replacement of defective pumps</li> <li>• Tiling of entrances</li> <li>• Installation of burglar proofing</li> <li>• Upgrading of toilets</li> </ul> |
| <b>UPGRADING OF THE ROBERTSON NORTH SWIMMING POOL</b>   | <ul style="list-style-type: none"> <li>• Replacement of defective sieves</li> <li>• Installation of burglar proofing</li> <li>• Tiling of entrances</li> </ul>                                |

#### Community Halls

Breede River Winelands Municipality has ten community halls. The Barnard, Zolani, Happy Valley, Wilhelm Theys Avenue, Nkqubela and Robertson community halls, Chris van Zyl and Hofmeyr halls, as well as the Ashton and Robertson town halls. It is the department's responsibility to ensure that all Breede River community halls are fully utilised and well maintained to acceptable standards.

During the year under review, 1395 functions and meetings were held in the municipal halls. This amounts to a slight decrease from 1404 during the previous financial year. No complaints were received from the public regarding the condition of the halls.

The department allocated and spent R 277 000.92 to maintain the community halls and the maintenance work was 97% complete. The target to build the new hall could not be met, due to the cancellation of the project because of an appeal against the building site.



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### BREEDERIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

Table 76: Maintenance work completed on the community halls

|  |  |
|--|--|
| <b>UPGRADING OF ROBERTSON TOWN HALL</b> <ul style="list-style-type: none"> <li>• Replace flooring of kitchen</li> <li>• Install new cupboards in kitchen</li> <li>• Install vents in hall</li> </ul>   | <b>UPGRADING OF NKQUBELA COMMUNITY HALL</b> <ul style="list-style-type: none"> <li>• Tiling of toilets</li> <li>• Building of ramp for disabled</li> <li>• Purchase of new equipment (replace wooden tables)</li> </ul>  |
| <b>UPGRADING OF CIVIC CENTRE</b> <ul style="list-style-type: none"> <li>• Upgrade stage floor</li> <li>• Upgrading of garden</li> </ul>  | <b>UPGRADING OF WILHELM THEYS AVENUE COMMUNITY HALL</b> <ul style="list-style-type: none"> <li>• Repair leaking roof</li> <li>• Upgrading of garden</li> <li>• Upgrading of toilets</li> </ul>   |
| <b>UPGRADING OF HAPPY VALLEY COMMUNITY HALL</b> <ul style="list-style-type: none"> <li>• Upgrading of garden</li> </ul>  | <b>UPGRADING OF CHRIS VAN ZYL HALL</b>   |
| <b>UPGRADING OF HOFMEYR HALL</b> <ul style="list-style-type: none"> <li>• Tiling of entrance</li> </ul>  | <b>UPGRADING OF BARNARD HALL</b> <ul style="list-style-type: none"> <li>• Painting of Interior</li> <li>• Upgrading of kitchen</li> <li>• Install safety gates</li> <li>• Upgrading of toilets</li> <li>• Install blinds and stage curtains</li> <li>• Upgrading of garden</li> <li>• Purchase of new equipment (fridge, stove, tables, chairs)</li> </ul> |
| <b>UPGRADING OF TOWN HALL</b> <ul style="list-style-type: none"> <li>• Upgrading of kitchen</li> <li>• Painting of exterior</li> <li>• Install blinds and stage curtains</li> <li>• Provide new equipment (fridge, stove, chairs, tables)</li> </ul> | <b>UPGRADING OF ZOLANI COMMUNITY HALL</b> <ul style="list-style-type: none"> <li>• Install stage curtains and curtains for the interior</li> <li>• Replace broken toilet doors</li> <li>• Install burglar gates</li> <li>• Upgrade of kitchen</li> <li>• Provide new equipment (fridge, stove, tables)</li> </ul>  |

#### Traffic and Licensing Services

The Breede River Winelands Municipality's traffic and licensing department is dedicated to delivering superior law enforcement services, through a partnership-approach with the communities it serves. It aims to create a safe and secure environment for all residents, citizens and visitors within the municipality through the provision of effective traffic policing and law enforcement.

Some of the tasks performed by the department include the processing of applications, registration (e-NaTis) and issuing of learner-driver and driver's licenses. In addition, this department ensures that the following functions are carried out: registration of motor vehicles, issuing of fines, managing point duties during emergencies, road marking, erecting road signs, testing of motor vehicles for road worthiness, serving of summons and executing warrants of arrest and patrolling at schools.

#### Challenges in 2008/09

The challenges facing the Breede River Winelands Traffic and Licensing Department are as follows:



- Ensuring that effective administrative and control is exercised over all traffic and licensing services.
- Ensuring proper and effective law enforcement on the roads.
- Ensuring effective employment of security officers to protect municipal assets.

#### Priorities 2008/09

- Upgrading the Robertson Traffic Services Centre.
- Traffic services public education: focussing on schools.

#### Performance 2008/09

During this financial year the department achieved the following:

- Owing to the budget adjustment, 85% of the Robertson Traffic Centre Upgrade project was completed and a portion of the funds was rolled over to the new financial year.
- The target to implement four road safety programmes in historically disadvantaged schools was achieved, and is an improvement from one safety programme during the last financial year where approximately 2,500 pupils participated.
- The two month turn-around time for the processing of drivers' licences and learner driver licences has been maintained.
- The number of drivers' licences and learner driver licences increased from 324 in 2007/08 to 3 017 transactions in 2008/09, generating an impressive revenue of R181 020.00.

The following revenue was generated from traffic and licensing services:

- 746 learner drivers' licenses - R52 440.00.
- 877 professional drivers' licenses - R61 390.00.
- 915 temporary drivers' licenses - R35 440.00.
- 2 364 applications for drivers' licenses - R318 520.00
- 3 869 drivers' licenses issued - R386 500.00
- 3 751 motor vehicle road worthiness testing - R247 885.00
- 4 425 speeding enforcement summonses were issued - R856 292.39
- In addition 363 summonses were issued which is an improvement on the 252 summonses and warrants of arrest issued the previous year.

- It must be noted that the revenue generated includes the amounts that need to be paid to the Province, the Road Traffic Management Corporation, the service provider for manufacturing the license cards as well as the service provider for processing the speeding transgressions.

#### Future Plans:

- Finalising service delivery agreements with the Province.
- Ensuring a more user-friendly system and process for licensing (learner drivers' licences, drivers' licences and vehicle licences).
- Expanding law enforcement.
- Expanding security deployment.

#### Disaster Management and Fire Services

All the services of the department are aligned to Section 84(1)(j) of the Local Government: Municipal Structures Act, Act 117 of 1998, Disaster Management Act No 57. (Act 57 of 2002) and the National Disaster Risk Management Framework.

The department seeks to create a safer environment through the provision of world-class, seamless, and cost-effective emergency services, to all communities of the Breede River Winelands Municipality.

This objective is realised through the provision of fire fighting and disaster management services and an effective 24-hour emergency call centre for the Fire Services. Citizens are provided with easy access to emergency services and are assured of a speedy response to emergencies and disaster situations.

The department operates in terms of the Fire Brigade Services Act and its functions are as follows:

- To prevent the outbreak and spread of fire.
- To fight and extinguish fire.
- To protect life and property against fire or other threatening danger.
- To rescue life and property from a fire or other dangers.

#### Challenges 2008/09

- Financial constraints for the establishment of a new service, which requires a large initial investment.

- In the face of financial constraints, to devise a strategic plan for fire protection to meet the objectives.
- A budget with sufficient financial resources to incrementally meet objectives.
- Appointing staff in accordance with re-determined weight of response requirements.
- Finding suitable municipal facilities which could be modified or altered to accommodate fire facilities.
- During 2008/09 the fire services responded to eight motor vehicle fires.

#### Future Plans

- Establishment of fire fighting facilities in all towns on a 24-hour basis.
- Finding suitable municipal facilities which could be modified or altered to accommodate fire fighting facilities.
- Acquiring sufficient numbers of fire fighting vehicles for all towns.
- Appointing sufficient staff in terms of SANS 0900.

#### Environmental Services

The Department of Environmental Services endeavours to provide a sustainable, equitable, efficient, and cost-effective variety of services to all communities and businesses. These include: cleansing, parks and recreation, and environmental control.

#### Cleansing

The cleansing unit is responsible for the co-ordination of infrastructure and cleansing services. This includes domestic refuse collection (from formal and informal households), recycling waste, collecting garden refuse, co-ordinating drop-off area services, transferring and composting organic domestic refuse.

#### Performance 2009/10

Achievements of the Cleansing Unit:

- The municipality has an Integrated Waste Management Plan.
- All streets in the municipality receive a daily, weekly or monthly cleansing service, depending on traffic in the areas.
- A joint cleansing project was embarked upon with the Local Canning Factory to clean and beautify the municipality.
- The Breede River Winelands Municipality received the National Cleanest Town accolade in the 2009 Cleanest Town Competition.

#### Priorities 2008/09

- To incrementally establish a Fire Services Department in terms of legislative requirements and code (Fire Brigade Services Act, 99/1987 and SANS 0900 as per Council Resolution as per the outcome of a Section 78 investigation (Municipal Structures Act.).
- To appoint an additional four (4) fire fighters and at the same time aim to address employment in terms of the Equity Policy.
- To ensure that fire fighters are trained up to Fire Fighter II Level.
- To adhere to prescribed response times in terms of SANS 0900.

#### Performance 2008/09

- The Disaster Management Plan was revised within the legislated time frame and included in the Integrated Development Plan.
- 100% of the Disaster Management Programme was implemented, the same achievement as in 2007/08.
- The department attained the average response time of 12.81 minutes to all fire incidents against the target of 40 minutes. This is a 2 minute improvement from the response time in 2007/08, which was 14 minutes.
- During the 2008/09 financial year, the department responded and extinguished all 172 reported fires compared to 179 fires in 2007/8 and the 168 fires during the 2006/07 financial year.
- Three fire fighters were appointed against the target of four fire fighters. The department could not find a suitable candidate for the fourth position.
- The target to train four fire fighters up to Fire Fighter II Level training was achieved.
- During 2008/09, 619 building plans were submitted and scrutinised for fire safety purposes, compared to the 704 in the 2007/08 financial year.

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Table 77: KEY performance areas

| KEY PERFORMANCE AREAS                             | BASELINE 2007/8  | TARGET 2008/09  | ACTUAL 2008/09  | REASON FOR VARIANCE (NEGATIVE)          | CORRECTIVE ACTION |
|---|--|---|---|---|-------------------|
| Garden waste removal                              | Daily  | Daily   | Daily   | Additional skips                        | N/A               |
| Number of skips removed                           | 24   | 36  | 36  |   | N/A               |
| Total number of skips                             | Ashton (4m <sup>3</sup> ) 15<br>Montagu (4m <sup>3</sup> ) 9<br>Bonnievale (4m <sup>3</sup> ) 10<br>Robertson (4m <sup>3</sup> ) 27<br>McGregor (4m <sup>3</sup> ) 2 | 19<br>12<br>13<br>12<br>1 (when necessary)  | 19<br>12<br>13<br>12<br>1   | N/A                                     | N/A               |
| Household waste removal                           | Once a week  | Once a week   | Once a week   | N/A                                     | N/A               |
| Commercial waste removal                          | Twice a week   | Twice a week  | Twice a week  |   |                   |
| Collection of industrial waste and abattoir waste | Daily<br>Total skips removed per day:<br>6m <sup>3</sup> (3)   | Daily<br>Total skips removed per day:<br>6m <sup>3</sup> (3)<br>9m <sup>3</sup> (1) | Daily<br>Total skips removed per day:<br>6m <sup>3</sup> (3)<br>9m <sup>3</sup> (1) | Purchase of additional skips            | N/A               |
| Building rubble                                   | Daily  | Daily   | Daily   | N/A                                     | N/A               |
| Green waste to compost disposal                   | 600m <sup>3</sup> per month  | 600m <sup>3</sup> per month   | 600m <sup>3</sup> per month   | Public awareness                        | N/A               |
| Industrial and abattoir waste                     | 24m <sup>3</sup> per day to landfill site  | 27m <sup>3</sup> per day to landfill site   | 27m <sup>3</sup> per day to landfill site   | N/A                                     | N/A               |
|   | Total skips<br>4 x 6m <sup>3</sup>   | Total skips<br>9 x 6m <sup>3</sup><br>3 x 9m <sup>3</sup>                           | Total skips<br>16 x 6m <sup>3</sup><br>10 x 9m <sup>3</sup>                         | N/A                                     | N/A               |
| Household and commercial waste disposal           | Total to landfill<br>2500m <sup>3</sup> per month  | Total to landfill<br>2600 m <sup>3</sup> per month                                  | Total to landfill<br>2684 m <sup>3</sup> per month                                  | Small variance                          | N/A               |
| Compost generating                                | 280m <sup>3</sup> per month  | 320m <sup>3</sup> per month   | 350m <sup>3</sup> per month   | Increase in incoming green waste        | N/A               |
| Recycling of glass                                | None   | None  | 24m <sup>3</sup> (income)<br>±R1 200.00   | Separation of waste at transfer station | N/A               |
| Construction of recycling plant                   | Planning of recycling plant  | Phase 1<br>100% complete  | Phase 1<br>+ 2(85%) complete  | Funding was available                   | N/A               |
| Managing Transfer Station (informal)              | Transfer weekly waste from transfer stations   | Transfer waste weekly from transfer stations  | Transfer waste weekly from transfer stations  | N/A                                     | N/A               |

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#### Parks, Recreation and Cemeteries

The municipal parks and recreation unit develops and maintains zoned public open spaces such as hiking trails, recreational areas, sports grounds, play parks and fences. The unit is also responsible for planting and pruning trees and shrubs, as well as the mowing of grass.

#### Performance 2008/09

A number of additional projects were completed through the Ward Allocation system.

Table 78: KEY performance areas

| KEY PERFORMANCE AREAS   | BASELINE 2007/08   | TARGETS 2008/09   | ACTUAL 2008/09  | REASON FOR VARIANCE (NEGATIVE)  | CORRECTIVE ACTION |
|---|--|---|---|---------------------------------|-------------------|
| Beautification of open spaces                                     | 1 per town per year  | 1 per town per year   | 2 per town  | N/A                             | N/A               |
| Manage hiking trails  | Maintain total km<br>Montagu 30.2<br>Robertson 54.9  | Maintain total km<br>Montagu 30.2<br>Robertson 54.9   | Maintain total km<br>Montagu ?<br>Robertson?  |                                 |                   |
| Increase number of visitors in the hiking trails per month        | Montagu 237<br>Robertson 89  | Montagu 237<br>Robertson 89   | Montagu 280<br>Robertson 102  |                                 |                   |
| Generate income from hiking trails                                | R 114 142.00   | R 122 523.00  | R 71 334.34   | Weather dependant               | N/A               |
| Maintenance of sports grounds (cutting of grass per month)        | Ashton 28000 m <sup>2</sup><br>Bonnievale 14000 m <sup>2</sup><br>Montagu 14 000 m <sup>2</sup><br>Robertson 35 000 m <sup>2</sup><br>McGregor 14 000 m <sup>2</sup> | Ashton 28000 m <sup>2</sup><br>Bonnievale 14000 m <sup>2</sup><br>Montagu 14000 m <sup>2</sup><br>Robertson 35 000 m <sup>2</sup><br>McGregor 14 000 m <sup>2</sup> | Ashton 28000 m <sup>2</sup><br>Bonnievale 14000 m <sup>2</sup><br>Montagu 14000 m <sup>2</sup><br>Robertson 35 000 m <sup>2</sup><br>McGregor 14 000 m <sup>2</sup> | N/A                             | N/A               |
| Maintenance of public toilets                                     | 9  | 10 public toilets   | 10 public toilets   | N/A                             | N/A               |
| Planting of trees and shrubs                                      | 345  | 345 trees   | 515 trees   |                                 | N/A               |
| Maintenance of trees (prune)                                      | 700  | 850   | 978   |                                 | N/A               |
| Maintenance of pavements and open spaces (total km to maintain)   | 160 km<br>Total amount of weed killer used 880 litres  | 160 km<br>Total amount of weed killer used 900 litres   | 160 km<br>Total amount of weed killer used 940 litres   | N/A                             | N/A               |
| Play park development and maintenance                             | 16 play parks  | 20 play parks   | 20 play parks   | Develop more play parks 2008/09 | N/A               |
| Budget spent on maintenance of new fences                         | R 27 747.73  | R 30 000.00   | R 30 000.00   | n/a                             | N/A               |
| Enforcement of cleaning of private ervens (total written notices) | 87   | Minimum 87  | Total written notices: 96   |                                 | N/A               |
| Control of dogs (number of written notices to private owners)     | 66   | 66  | 167   |                                 | N/A               |
| Budget spent on pest and vector control                           | R 3 600.00   | R 3 600.00  | R 2 100.00  |                                 |                   |
| Complaint reductions  | 118  | 118   | 97  |                                 | N/A               |

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#### Cemeteries

The cemetery unit develops and maintains cemetery facilities that promote dignity and respect to communities. New cemeteries aim to cater for special needs, while meeting landscape, infrastructural and environmental standards and objectives. Existing cemeteries will also be extended accordingly.

#### Performance 2008/09

Table 79: Key deliverables against set goals for cemetery department where:

| KEY PERFORMANCE AREAS                          | BASELINE<br>2007/08                              | TARGET<br>2008/09            | ACTUAL<br>2008/09            | REASON FOR<br>VARIANCE<br>(NEGATIVE) | CORRECTIVE<br>ACTION |
|--|--|------------------------------|------------------------------|--------------------------------------|----------------------|
| Approval for the development of new cemeteries | EIA<br>2 Cemeteries                              | Approval<br>2<br>Cemeteries  | Approval<br>2 Cemeteries     | N/A                                  | N/A                  |
| Maintenance of cemeteries                      | Replace fencing<br>80% of existing<br>cemeteries | To replace<br>20%            | 20% fencing<br>replaced      | N/A                                  | N/A                  |
| Construction of new graves                     | Double graves built<br>6                         | Double<br>graves built<br>46 | Double graves<br>built<br>38 | N/A                                  | N/A                  |
| Construction of new graves                     | Single graves built<br>66                        | Single<br>graves built<br>66 | Single graves<br>built<br>86 | N/A                                  | N/A                  |
| Standard graves<br>(total graves used)         | 374  | 374                          | 412                          | N/A                                  | N/A                  |
| Application of tariffs                         | R 283 028.87                                     | R 71 334.34                  | R232 988                     |                                      |                      |

#### Upgrading of Sports Facilities and Parks

The 2008/09 financial year saw the upgrading of sports facilities, specifically the sports facilities of Ashton, Zolani, Montagu, Van Zyl Street and McGregor and the development and upgrading of parks. The costs of all these projects were within budget from which it is evident that the budgets were realistically compiled.

Table 80: Upgrading of Sports Facilities and Parks

| SPORT FIELDS                                 | BUDGET      | EXPENDITURE  |
|--|-------------|--------------|
| Upgrading of Ashton Cricket Club             | R 213 000   | 211 807.59   |
| Upgrading of Sport Facilities Zolani         | R 155 000   | 151 847.52   |
| Upgrading of Sport Facilities Montagu        | R 155 000   | 154 438.55   |
| Upgrading of Sport Facilities Van Zyl Street | R 270 000   | 258 389.26   |
| Upgrading of Sport Facilities McGregor       | R 160 000   | 133 941.96   |
| Development and Upgrading of Parks           | R 430 000   | 380 713.25   |
| TOTAL SPORT & RECREATION                     | R 1 383 000 | 1 291 138.13 |



### FINANCE DEPARTMENT

This department comprises the following sections; Income, Salaries and Creditors, against which the performance of the 2008/09 financial year is reported below.

#### • Income (services, rates and credit control)

This unit ensures that correct and accurate accounts for municipal services such as electricity, water, sewage, refuse removal and property tax are delivered and payment is collected against billing. Moreover the unit implements rigorous credit control procedures on accounts in arrears and identifies indigents.

#### • Salaries

This unit runs the payroll and provides operational support while maintaining a well run and efficient payment office that ensures timeous payment of salaries to councillors and council employees.

#### • Creditors

Issue orders, make payments to creditors and controls the budget of this department.

### Challenges 2008/09

- Timeous approval of payment of invoices – invoices to be signed by the person requesting the goods and/or services and to ensure that services are rendered or that the goods are received as invoiced.
- Payments of creditors at the end of the year. Although personnel are requested to minimise orders during June, they still continue to make purchases which results in outstanding payments at the end of the year. This makes it difficult to get reporting on outstanding creditors at the end of the year.
- Problems with equipment such as the cheque printer, no direct e-mail and no fax facility, no office scanning/copy facility in the office and the shared order printer causes problems.
- The account printer is outdated which caused delays in the printing of municipal accounts.
- Meter readings are behind schedule in Montagu and Zolani.
- Difficulty in identification of indigents.

### Priorities 2008/09

- To pay all creditors according to the Municipal Finance Management Act (MFMA) within 30 days of invoice/ statement date.
- To ensure that rebates are received for early payments.
- To levy accounts for all services rendered.
- To collect all consumer debt owed to the municipality.
- To levy property rates on all properties registered in the Breed River Winelands Municipal area.

### Performance 2008/2009

The department has seen successes in the following:

#### Income

- An increase in productivity, efficiency and cost savings and a new printer for printing accounts was acquired at R 42 190.00.
- Monthly electricity and water meter readings are taken timeously. Accounts are levied around the 12th, 13th or 14th, which is an improvement from the last financial year's levying schedule of the 14th to the 17th of each month.
- Meter readings remained unchanged, and are read between the 10th and the 25th of the month.
- There are 342 pre-paid water meters, 11 982 pre-paid electricity meters, approximately 13 076 water meters and 5 133 electricity meters that were read on a monthly basis during the 2008/09 financial year.
- The accounts offices in the municipal area received approximately 12 account queries pertaining to accuracy and correctness of service accounts.
- There are 5 municipal pay points and 12 pay points at local businesses for an after hours service for pre-paid electricity and payment of accounts.
- Approximately 80,000 – 100,000 receipts are issued monthly by all pay points.

#### Rates

- In terms of the Municipal Property Rates Act No 6 of 2004 Properties 2004, there were two (2) interim General Valuations, in October 08 and April 09.

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- This involved the valuation of approximately 16 605 properties, which is an improvement on the 2007/08 financial year's 15 879 properties in the Breeder River Winelands Municipality.
- Annual rates accounts were levied on the 14th of July.
- The property valuations have increased from R 5 269 223,590 in 2007/08 to R 5 946 719 730 properties valuations in 2008/09. This leap is due to the valuation of the new Silverstrand Development.
- The property valuation process resulted in R25 924 823 rates being levied compared to the previous financial year's R 26 465 95 rates levied.
- During 2008/09 services levied for water, electricity, sewage and refuse removal amounted to approximately 18 500 monthly accounts at a value of R 244 681 523. This amount has increased from 18 300 accounts monthly in 2007/08 at the value of R130 381 760.
- Annual accounts were levied about 15th July each year, for payment either annually or monthly.
- Approximately 1 121 rates clearance certificates were cleared in 2008/09, compared to 1,000 rates clearance certificates in 2007/08.

#### Credit Control

Responsibility includes credit control measurements on outstanding accounts and identifying indigents.

- Through the debt management policy the municipality's debt recovery rate of 97.65% has exceeded the annual target of 96%, as well as the previous financial year's 95%.
- Approximately 4 656 indigents were identified during the 2008/09 financial year, compared to approximately 4 668 indigents households identified during 2007/08.:

Table 81: Indigents per town

| 2007/08    |      | 2008/09    |      |
|------------|------|------------|------|
| Robertson  | 1676 | Robertson  | 1532 |
| McGregor   | 40   | McGregor   | 67   |
| Ashton     | 1202 | Ashton     | 1184 |
| Bonnievale | 607  | Bonnievale | 543  |
| Montagu    | 1143 | Montagu    | 1330 |
| Total      | 4668 | Total      | 4656 |

- Outstanding amounts to the value of R 3 431 147.71 owed by indigents was written off during the 2008/09 financial year, compared to approximately R 374 996.95 owed in 2007/08.
- The municipality has a 40% rebate policy on property tax for pensioners (60 years and over) with an income of <=R 2 500 per month.
- The total rebate which was calculated according to the rates policy amounted to R 6 148 342 during 2008/09, compared to the 2007/08 financial year's R 19 493 197. This huge decrease is due to changes in the tariff structure, inter alia and agricultural properties.

Table 82: Rates Rebates

| REBATES  | 2007/08         | 2008/09        |
|--|-----------------|----------------|
| Rates rebates (residential, government and agricultural) | R 18 996 875    | R 5 053 903    |
| Rates rebates - pensioners                               | R 33 119        | R 43 850       |
| Rebates - developers                                     | R 436 567       | R 492 107      |
| Rebates - land reform                                    | R 26 636        | R 11 264       |
| Total  | R 19 493 197.00 | R 5 601 124.00 |

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#### Creditors

- To ensure efficiency, all municipal creditors are paid within 30 days either by cheque or by electronic bank transfer. The 30 day turnaround time has resulted in a 1.25% to 2.5% rebate from creditors.
- The municipality issued 550 orders which is an improvement from the 500 orders in the previous financial year.
- Cheque payments have dropped from an average of 550 during the 2007/08 financial year, to 503 during 2008/09. This is representative of 39% of the monthly payments.
- Electronic transfers per month have increased from 160 in the 2007/08 financial year to 815 in 2008/09. This figure represents 61% of the total number of payments made.
- Queries regarding the late payment of invoices have dropped from ten per month in 2007/08, to three queries per month during the 2008/09 financial year.
- The roll out of the Collaborator Programme was completed and is currently being used to issue orders.

#### Salaries

- Salaries paid according to date schedule, are paid to approximately 631 personnel, 20 councillors and 20-50 contract workers twice a month.
- Bank transfers for the third party payments for medical aid and housing loans have improved from the 7th to the 3rd of each month.
- Processing and payment of claims for subsistence and travel to within one day.
- Approximately 700 employee's IRP5s were issued in September 2008 (2007/08 tax year) and before the end of May 2009 (2008/09 tax year) respectively.

#### Long term contracts

Listed below are major multi year contracts that the municipality concluded during the 2008/09 financial year:

Table 83: Indigents per town

| CONTRACTOR           | PROJECT                    | PROJECT VALUE |
|----------------------|----------------------------|---------------|
| D Payne Waardeerders | Valuation                  | R 410 338.00  |
| Metvalue             | Transfer/verify valuations | R 1 118.00    |
| Georeality           | Credit control             | R 92 306.00   |
| R-Data               | Financial system           | R 343 515.00  |

#### Adhoc Projects

- Obtain a new printer for cheque printing.
- Obtain an additional printer for printing of orders.
- Facilitate external e-mail facility for the creditors office to receive invoices as well as handling of queries regarding invoices.
- Roll out of the Collaborator Programme to issue orders.
- Roll out of pre-paid water receipting to Ashton (2) off site pay points and bought computers and printers.
- The tender for 12 off-site pay points was advertised.
- New contract meter reader was appointed in Zolani in April (month to month).

Identification processes of indigents in 8 wards during April.

### Future Plans 2009/10

- To obtain a new printer for printing cheques.
- To obtain an additional printer for printing of orders.
- Facilitate external e-mail facility for the creditor's office, so invoices as well as invoice related queries can be handled and received.
- Initiate and conclude the tender process for General Valuation for 2011 to 2015.
- Tender for meter readings for the period March 2010 – February 2013.
- In house collecting of outstanding accounts.
- Roll out the pre-paid water receipting process to the Ashton off site pay points.
- Implement all indigents of 2008/09 who did not re-apply for 2009/2012, and write-off the arrears of the indigents, as soon as they are implemented indigent.

### Supply Chain Management

The department is responsible for implementing the Council's Supply Chain Policy and compliance with Section 11 of the Municipal Finance Management Act (MFMA). The key role of the department is to drive equitable economic activity in the Breeder River Winelands Municipal area through the promotion of SMME, BEE and Local Labour.

### Priorities

The key priorities for the department are:

- To compile a database of all local SMMEs and BEEs.
- The procurement of goods and services from BEEs and SMMEs.
- To implement the SCM IT Programme – Collaborator.
- The implementation of the Supply Chain Policy.
- To provide supply chain process training to SMMEs and BEEs.

### Performance 2008/09

The department made huge strides to drive the implementation of its identified key priorities. However, the lack of a local BEE and SMME base in the Municipal area remains the key challenge. Listed below are the performance indicators for the Supply Chain Department

during the 2008/09 financial year:

- The total procurement through BEEs was at 20.65% during 2008/09, which was well below the set target of 50%. The department missed the target due to a lack of BEE companies in specialist fields such as engineering. In future the department will encourage BEE companies through tender adverts.
- The total procurement through SMMEs was at 19.72% against a target of 50% at the end of the year. This performance is due to the small number of SMMEs with expertise in specialist sectors. The department will encourage joint ventures between main stream companies and SMMEs.
- Approximately 70% of the local SMME's and BEE's database was completed. The department does not have a permanent basis and is in the process of employing a database clerk. The Supply Chain Management IT Programme Collaborator was implemented 100%.
- The department managed to implement 90% of the Supply Chain Policy, which is in line with the set target.
- The department provided two supply chain process training sessions to SMMEs and BEEs against the set target of four sessions.

### Future Plans 2009/10

Future plans include:

- Recruitment of personnel in the department.
- Training for local SMMEs and BEEs companies.
- Training and development of the department for service delivery.

### Information and Communication Technology (ICT)

The Information and Communication Technology unit is responsible for the maintenance of all servers, computers, printers and communication networks for the Breeder River Winelands Municipality.

### Priorities

- To provide software application support for end-users.
- To provide effective management of the Breeder River Winelands Municipal technical resources through resource tracking.
- To provide an efficient, secure, and reliable network

infrastructure that supports data and/or voice requirements for the Breede River Winelands Municipal service delivery initiatives.

### Performance 2008/09

Despite a shortage of experienced personnel in the department, the following was achieved:

- Providing application support, which meant 100% of the 220 end-users in the Municipality were provided with remote and on-site support.
- The tender process for the Disaster Recovery System was completed as planned ahead of 30th June 2009.
- To facilitate technology planning and management, an assessment of the Intranet bandwidth and infrastructure was conducted in collaboration with Telkom.
- An IT audit was conducted and completed by an external company to ensure network and security support.

### Future Plans and Priorities

- The department will appoint a second technician to ensure that the hardware, software and the network are maintained promptly.

### IT infrastructure purchases

The department had an annual budget allocation of R 1 009 000.00 from which the following IT purchases were made:

Table 84: IT infrastructure purchases

| IT PURCHASES TYPE | SPENT        |
|-------------------|--------------|
| Printer           | R 484,787.57 |
| Software          | R 32,189.00  |
| Computer          | R 236,241.28 |
| Total budget      | R 753,217.85 |

### Future Plans

- To finalise the implementation of the Full Disaster Recovery system.
- To implement the Disaster Recovery System for the pre-paid/redundancy system.

### Finance: Budget And Support Services

Breede River Winelands Municipality's long-term

sustainability hinges on sound financial management practices and compliance with the Municipal Finance Management Act (2003). These financial practices that underpin the municipality's process of effective municipal financial management are, planning and budgeting, revenue and expenditure management, reporting and oversight. In the past two financial years the municipality has achieved unqualified audits and compiled its financial statement in the new Generally Recognised Accounting Practice (GRAP) Format.

### Functions of the Budget Office

The department is responsible for:

- The compilation of the budget.
- Determination of tariffs.
- Compilation of the Annual Financial Statements.
- Financial reporting in terms of the MFMA and other legislation.
- Asset management.
- Investment of funds.

### Challenges 2008/09

The implementation of existing and the new GRAP standards remains a challenge for the municipality.

### Priorities 2008/09

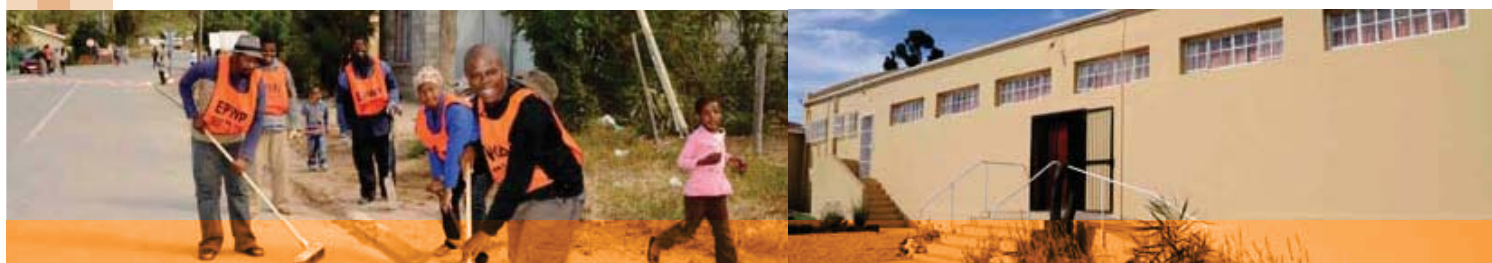
- Submitting financial statements compliant with MFMA and GRAP.
- Compiling a medium term budget for 2010/11.
- Determining tariffs in terms of the tariff policy for approval by Council.
- Submitting financial reports in terms of MFMA.
- Implementing measures to ensure an unqualified audit report.
- Verification of the Asset Register with the General Ledger.
- Finalisation of insurance claims in terms of insurance contract.
- To carry out monthly bank reconciliations.
- Investment of funds in terms of the investment policy.

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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

Table 85: Budget Office Scorecard

| KEY PERFORMANCE AREAS  | BASELINE<br>2007/08   | TARGET<br>2008/09                    |  |
|--|---|--------------------------------------|--|
| Compiling financial statements complying with MFMA and GRAP  | 31st August 2007  | 31st August 2008                     |  |
| Compiling a medium term budget for 2009/10   | 18th March 2008   | 31st March 2009                      |  |
| Determination of tariffs for approval by Council   | 1st approval<br>27th May 2008<br>2nd approval<br>30th June 2008 | 31st May 2009                        |  |
| Submission of financial reports in terms of MFMA   | Within 10 working days of month end                             | Within 10 working days of month end  |  |
| Implement measures to ensure an unqualified audit report   | Unqualified audit report  | Unqualified audit report             |  |
| Verification of the Asset Register with the General Ledger   | Asset Register = General Ledger                                 | Asset Register = General Ledger      |  |
| Perform a physical asset count whereby all movable assets are scanned and compared with the asset register | 1st March 2008 –<br>16th May 2008                               | 1st January 2009 – 30th April 2009   |  |
| Discrepancies found  | R 32 521  |                                      |  |
| Finalisation of insurance claims in terms of insurance contract.   | No late claims<br><br>47 claims to the total value R1 248 029   | No late claims                       |  |
| Monthly Bank Reconciliations   | Average within 20 working days of month end.                    | Within 12 working days of month end. |  |
| Investment of funds  |   |                                      |  |
| Value of Cash and Cash Equivalents at year end   | R 68 669 312  | R 80 000 000                         |  |
| Interest Earned for year.  | R 8 746 970   | R 12 406 597                         |  |



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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

|  | ACTUAL<br>2008/09   | REASON FOR VARIANCE (NEGATIVE)  | CORRECTIVE ACTION  |
|--|---|---|--|
|  | 31st August 2008  |   |  |
|  | 24th March 2009   |   |  |
|  | 1st approval 22nd May 2009<br>2nd approval 30th June 2009   | The late application for tariff increases to NERSA by Eskom resulted in the need for late tariff adjustments. | The problem was addressed with Provincial Officials during the LGMTEC process. |
|  | Within 10 working days of month end   |   |  |
|  | Unqualified audit report through budget control, correct journal entries, capturing all new assets and bar coding of all movable assets and reconcile financial information in the annual financial statements. |   |  |
|  | Asset Register = General Ledger   |   |  |
|  | 21st January 2009 – 3rd April 2009  |   |  |
|  | R 13 015  |   |  |
|  | No late claims<br>61 claims total value<br>R 2 556 897  | Increase in claims is as a result of the floods during the period 11 to 13 November 2008                      |  |
|  | Average within 15 working days of month end.  | The position of clerk: bank reconciliations were vacant for a number of months                                | The position has been filled.  |
|  |   |   |  |
|  | R 93 223 223  |   |  |
|  | R 10 786 516  | Available cash more than expected.<br>Interest rate increases   |  |





### MUNICIPAL MANAGER'S OFFICE

#### Local Economic Development (LED)

The department is responsible for developing and implementing programs and projects that promote sustainable livelihoods, poverty alleviation and economic development opportunities for all citizens in the Breeder River Winelands Municipality.

Against this backdrop, the department facilitates the economic activities of the municipality with a primary focus on skills development, increasing trade and investment, Black Economic Empowerment (BEE), supporting small businesses enterprises and sourcing funding for entrepreneurs. All these activities improve the participation of youth, companies run by women and the physically challenged in the main stream.

The department achieves economic development for the municipality through tourism, rural development, land reform and other special projects. During 2008/09, the department focused on a number of priorities.

#### Priorities 2008/09

- To establish community bakeries.
- Facilitating the approval of seed funding applications.
- To create employment opportunities.

#### Performance 2008/09

Funding to the amount of R 896 100 against the target of R 113million for sustainable livelihoods or poverty alleviation project was received from provincial department of Social Development.

The funding for the garment making business plan was not approved.

The target to renovate and establish two community bakeries in Nkqubela and McGregor was achieved on the 22nd November 2008.

SMME development was facilitated through the approval of seed funding applications for the following businesses:

- Babalwa's B&B - Nkqubela
- Scheepers' Car Wash - Ashton
- Yvonne's Catering - Ashton
- Omega International Events - Robertson
- Naomi Services - McGregor
- Nigel Keith Printing - Ashton
- Roseline's B&B - Bonnievale
- Umhlobo & Fun Adventure Tours - Robertson
- Lingeletu Cash Store - Nkqubela
- Van Ensland Catering - Robertson
- Zolani B&B - Zolani

Seven training programmes were implemented: in snail harvesting, bakery and confectionary training, jam and pickled vegetable manufacturing, as well as in tendering and business skills.

**Table 86: Beneficiaries trained**

| TRAINING PROGRAMME       | BENEFICIARIES |
|--------------------------|---------------|
| Ashton business training | 12            |
| Tourism development      | 10            |
| Seda business training   | 12            |
| Bakery training          | 13            |
| Jam and chutney          | 11            |
| Snail harvesting         | 13            |
| Total                    | 71            |

The township cleaning programme interventions created temporary employment for a total of 376 unemployed persons of which 166 are female and 210 male.

The bakery renovations created temporary employment for 11 males and 2 females.

The department succeeded in attracting R 10 million for capital grant and R 2 million for technical assistance for neighbourhood development.

#### Future Plans 2009/10

- Removal of alien vegetation in rivers.
- Rehabilitation of rivers in the area.
- Develop an SMME development and mentoring programme.

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### BREEDERIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

- Implement a neighbourhood development programme in targeted areas.
- These projects will be aimed at, and train and equip the unemployed in the Breede River Winelands Municipality area.

#### Tourism

In 2006, the Western Cape tourism sector contributed 9.8% to the regional GDP and more than 150,000 people, approximately 10% of the labour market, are employed in the tourism sector in the Western Cape. In 2007, the province received R2.9b in Total Foreign Direct Spend which increased to R4.5b in 2008, depicting a 55.17% increase.

Tourism plays a crucial role in the economic development of the Western Cape and Breede River Winelands Municipality. In recognition of this, additional efforts are being made by the municipality to further develop the local economy through tourism. Tourism as a sector has the potential to create social cohesion by adding to the development of vibrant social spaces within the municipality and promoting local participation in the environmental economy.

#### Performance 2008/09

To bolster tourism efforts within the municipality, in an effort to gain maximum returns, which will in turn benefit the communities of the Breede River Winelands Municipality, the following steps were taken.

The municipality outsourced the tourism function and Heart of Route 62, with the following functions:

- Tourism transformation.
- Tourism development.
- Tourism marketing.

Heart of Route 62 is the overarching Local Tourism Organisation (LTO) and was also responsible for the effective functioning of the Local Tourism Associations (LTA) which represents tourism in each town.

These are:

- Bonnievale Tourism Association.
- McGregor Tourism Association.
- Montagu/Ashton Tourism Association.
- Robertson Tourism Association.

An Executive Committee was comprised of the following:

- Two business members from each LTA.
- Two representatives from Robertson Wine Valley.
- One emerging business member from each LTA.
- One municipal councillor.
- One municipal official.

Heart of Route 62 has a Day Management Committee responsible for the day-to-day management of the entity.

The committee is made up of:

- A Chairman of the Executive Committee.
- One representative from Robertson Wine Valley.
- One representative from each LTA.
- One municipal representative.

Achievements of the entity during the 2008/09 financial year were:

- Marketing of Heart of Route 62.
- Tourism awareness workshops.
- Media educational tours with visiting journalists.
- Assisted community projects.
- Delegates attended the tourism Indaba.
- Distribution of marketing material.

Council resolved to withdraw all funding from Heart of Route 62 as of 28th February 2009.



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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

Table 87: Tourism Scorecard

| KEY PERFORMANCE AREAS  | BASELINE<br>2007/08  | TARGET<br>2008/09  |  |
|--|--|--|--|
| Develop and distribute suitable marketing material.                      | No marketing material was developed or distributed.                          | To develop one brochure for the whole Municipal area.<br>Budget R 400 000.00<br>Contents to include emerging tourism initiatives and build on existing contents. |  |
| Provide training to emerging tourism entrepreneurs.                      | No training was provided.  | To provide tourism awareness workshops to 50 (five per ward) emerging tourism businesses.  |  |
| Establish a comprehensive photographic library.                          | No photographic material available   | To provide a library of photographic material to assist in designing brochures and other marketing material<br>R 32 000.00                                       |  |
| Support local events that truly market the area.                         | Minimal support was given to the Wacky Wine Weekend.                         | Support the Wacky Wine Weekend by encouraging local communities to participating in street theatre.<br>R 100 000.00<br>(R 240 000.00)                            |  |
| Establish "Tourism Kiosks" at strategic venues                           | Nil  | Establish 15 tourism kiosks. R150 000.00<br>By 30 June 2009  |  |
| Vigorously market the municipal area as a preferred tourism destination. | Very little marketing was done   | Start Community Radio Station<br>R 200 000.00  |  |
| Attend local, district and provincial tourism meetings                   | Local and district meetings were attended.                                   | To attend the LTA and district tourism meetings on a monthly basis.  |  |
| Number of tourist visitors in the municipal areas                        | No information   | The number of visitors are difficult to determine as only those visiting LTA's are sometimes registered  |  |
| Revenue created  | No information and difficult to determine as they are private establishments | Cannot be determined   |  |
| Jobs created through tourism   | No information   | Difficult to determine as the establishments are unwilling to provide the necessary data   |  |



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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

|  | ACTUAL<br>2008/09  | REASON FOR VARIANCE (NEGATIVE)   | CORRECTIVE ACTION                              |
|--|--|--|--|
|  | 40 000 brochures printed and others designed but not yet printed.<br>Further printing for the Wacky Wine Weekend<br>R 180 732.80   | The decision to render the tourism function 'in-house' was only taken at the end of February 2009 - therefore only 4 months to execute objectives.   | Better planning for the 2009/10 financial year |
|  | 70 entrepreneurs attended a tourism awareness workshop.  | Additional interest was shown.   | N/A  |
|  | A comprehensive range of photographs were taken in June 2009. This includes landscapes, buildings, people, activities and products from the area<br>R 26 640.00              | Photographs were cheaper than envisaged  | Continue to update photographic library        |
|  | Ten local choirs, community groups, steel band and hip-hop groups participated and were remunerated for their performance.<br>R 60 000 was donated to the Wacky Wine Weekend | R 60 000.00 donation,<br>R 15 750.00 remuneration,<br>R 1 500.00 sound system,<br>R 2 650.00 transport,<br>R 1 600.75 clothing,<br>R 41.04 miscellaneous,<br>R 240 000.00 Local Tourism Associations | N/A  |
|  | Ten brochure stands were made.<br>R19712.00  | Time frame did not allow the establishment of additional kiosks  | More effective planning for 2009/10            |
|  | Joined Valley FM for community radio station<br>R 200 000.00 to extend transmission to BRWM area   | N/A  | N/A  |
|  | 12 monthly meetings were attended  | All local and district meetings attended   | Continue to attend local and district meetings |
|  | A suitable system needs to be initiated to extract this information  |  |  |
|  |  |  |  |
|  | A suitable system needs to be initiated to extract this information  |  |  |



### Executive Support Services

The primary responsibility of the department is to facilitate the development and implementation of the Integrated Development Plan (IDP) and the Performance Management (PM). The department has to ensure that the Integrated Development Plan (IDP), the Service Delivery Integrated Development Plan (SDBIP), and the budget, are well aligned and that all legislations and policies relevant to the above-mentioned instruments are complied with. In so doing, the department facilitates the expedient identification of community needs, which must be prioritised accordingly and incorporated into the IDP.

Secondary to this role, the department drives and manages corporate communication, intergovernmental relations, international relations and professional services. Due to the nature of the functions the department operates on a modest budget of R 455 000.00.

### Priorities 2008/09

- Development of a municipal website.
- Conduct a comprehensive community satisfaction survey.
- Complete the Identity Document project.

### Challenges 2008/09

- The municipality does not have an intranet system.
- Difficulty in uploading information.
- Lack of capacity in implementing Section 57 performance management system.
- Effective communication with communities.

### Performance 2007/08

- Both the IDP and the SDBIP were completed within the statutory timeline.
- Section 57 performance agreements were concluded on 14th August, thereby missing the statutory deadline of 31st July 2008. The delay was as a result of capacity constraints within the municipality. Section 57 Employment contracts were concluded within the prescribed deadline.
- The public participation process was facilitated to obtain the community needs towards the drafting of the IDP and Budget.

**Table 88. Public participation meetings**

| DATE OF MEETING | WARD  | VENUE                                   | DIRECTOR RESPONSIBLE  |
|-----------------|-------|---|---|
| 25th March 2009 | 9     | Barnardsaal, Ashton                     | Director Corporate Services                                       |
| 26th March 2009 | 6 & 7 | Wilhelm Thyslaansaal, Montagu           | Director Community Services                                       |
| 30th March 2009 | 5     | Ou Gym, McGregor                        | Director Corporate Services and the Chief Financial Officer (CFO) |
| 1st April 2009  | 8     | Chris van Zylsaal, Bonnievale           | Director Infrastructure Development                               |
| 2nd April 2009  | 4     | Happy Valley Gemeenskapsaal, Bonnievale | Director Infrastructure Development                               |
| 6th April 2009  | 1 & 3 | Gemeenskapsaal, Droë Heuwel, Robertson  | Chief Financial Officer (CFO)                                     |
| 7th April 2009  | 2     | Nkqubela Gemeenskapsaal, Robertson      | Municipal Manager   |
| 8th April 2009  | 10    | Zolani Gemeenskapsaal, Ashton           | Municipal Manager   |

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### BREEDERIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

- Communities were given feedback on the progress of their ward projects through the ward committee meetings.
- Integrated Development Planning forum with Cape Winelands District Municipality in November 2008 and February 2009.
- The municipality participated in the District Disaster Management Forum.
- Twinning agreement with Rheeden Municipality in the Netherlands was established and focused on Activity Based Costing exchange programme within Waste Management and technical exchange on GAP Housing.
- The University of Utrecht visited Breederiver Winelands Municipality to provide support in the Waste Management department.
- As a performance monitoring mechanism three out of the three quarterly evaluations of Section 57 were conducted in October 2008, February 2009 and May 2009.
- For evaluating the final performance of Section 57, a performance evaluation committee was formed in July 2008 and the performance was assessed in September 2008.
- The municipality's annual report was compiled and tabled at the Council in January 2009.
- Assessment of corporate performance, (Have you missed something out here?) organisational scorecard, derived from the service delivery budget and implementation plan and progress on delivery assessed quarterly reported to the Council.
- The Breederiver Winelands Municipality, in collaboration with the Independent Electoral Commission and Department of local government and housing, hosted an Identity Document Campaign to provide people with free ID and birth certificates. Throughout the Breederiver Winelands Municipal area, more than 1 800 people were assisted with various home affairs services, mostly identity documents.
- A first draft of the website was developed and previewed on the 31st May 2009, well in advance of the 30th June 2009 target.

Table 89: Applications for various home affairs functions per town.

| ASHTON                    | NUMBER OF APPLICATIONS | ROBERTSON             | NUMBER OF APPLICATIONS |
|---------------------------|------------------------|-----------------------|------------------------|
| 1st Identity Document     | 254                    | 1st Identity Document | 315                    |
| McGregor 1st applications | 124                    | 2nd Identity Document | 213                    |
|                           |                        | Birth Certificates    | 49                     |
|                           |                        | Late Registration     | 17                     |
|                           |                        | Certificates          | 17                     |
|                           |                        | Passport              | 1                      |
|                           |                        | Re-applications       | 1                      |
| Total                     | 419                    | Total                 | 613                    |

| MONTAGU               | NUMBER OF APPLICATIONS | BONNIEVALE            | NUMBER OF APPLICATIONS |
|-----------------------|------------------------|-----------------------|------------------------|
| 1st Identity Document | 164                    | 1st Identity Document | 168                    |
| 2nd Identity Document | 166                    | 2nd Identity Document | 119                    |
| Birth Certificates    | 24                     | Birth Certificates    | 25                     |
| Late Registration     | 4                      | Late Registration     | 30                     |
| Certificates          | 10                     | Certificates          | 6                      |
|                       |                        | Re-applications       | 1                      |
| Total                 | 368                    |                       | 349                    |



**Table 90: Identity Documents Distribution:  
February 2009**

| TOWN       | NO OF IDENTITY DOCUMENTS<br>DELIVERED |
|------------|---------------------------------------|
| Montagu    | 259                                   |
| Bonnievale | 281                                   |
| Ashton     | 306                                   |
| McGregor   | 86                                    |
| Robertson  | 355                                   |
| Total      | 1 287                                 |

### Future Plans 2009/10

- Appoint a consultant to assist with organisational performance.
- Develop the Section 57 Performance Agreement before the statutory deadline.
- Build capacity to compile the annual information for the annual report.
- Development of promotional material – under the new name of the municipality.

### Client Services

This department is responsible for managing and co-ordinating Client Services which includes the 24-Hour Customer Call Centre, within the Breede River Winelands Municipality. The aim is to improve the customer loyalty and client services within the Breede River Winelands Municipal area, by placing people at the centre of development. (Client Service Charter).

Another initiative is to drive and underpin the development and implementation of a Customer Care Information Desk, which will form part of the corporate governance principles and The Batho Pele White Paper for transforming Public Service Delivery.

### Functions of the department are

- To render an inquiry and complaints service to the community of the Breede River Winelands Municipality in terms of an information desk through the Customer Care Management (CCM) System.
- To manage stakeholder relations for effective and smooth service delivery.

### Priorities: 2008/09

- To highlight and strengthen the importance of operating a customer care information desk in all five towns within the Breede River Winelands Municipal area. This initiative and type of services within the municipality will assist each department in speeding up and improving on service delivery on a continuous basis.
- To ensure effective functioning at the 24-Hour Call Centre.
- To ensure that effective and efficient client handling systems are in place.

### Client Service Managers

#### Function

The Client Service Manager positions have been on the staff establishment since 2004. Since then, the functions of these positions have been extended because of changing needs and circumstances. With the implementation of Ward Committees, the duties of these managers were further extended to include assistance with administration. The Client Services Managers also filled the position of Secretariat to their respective Ward Committees, which, amongst others things incorporate the following:

- Compilation and circulation of Notices to Ward Committee Members.
- Compilation (in consultation with the Ward Councillor) and circulation of Agendas to Committee Members.
- Responsibility for managing the attendance registers during ward committee meetings.
- Taking minutes at ward committee meetings which were to be submitted to the Manager: Ward Committees and Client Services, within 7 days after the meetings were held for further processing. (Internal memos to be sent to the relevant departments for addressing complaints, enquiries, needs etc).
- <sup>a</sup> Responsible for follow-ups, monitoring of all complaints, queries and any additional needs.
- The processing of feedback from the Manager: Ward Committees and Client Services and Speaker in terms of Ward Committee meetings.
- Give guidance and advice with regards to meeting procedures.

- Responsible for logistic arrangements in respect of community meetings.

The community and general public from the various towns within the Breederiver Winelands Municipality makes regular use on a daily basis, of the service points and or offices. A further benefit of the client services managers are that when a complaint is received and a site inspection needs to be carried out, they are resourceful in all towns.

Client Services Managers are responsible for the operation of the CCM system in each town, as well as for the training of the relevant personnel who need to work on the system.

Further functions of the Client Services Managers:

- To render an inquiry and information service to the public in terms of an information desk, regarding CCM.
- To assist the Manager, Ward Committees and Client Services with the complaint management system and other ad-hoc functions.
- Render client service functions in allocated area.
- Render administrative support services like reporting, doing correspondence and organising meetings and render general secretarial services to the ward committees.

#### Performance 2008/09

Between January and April 2009, Client Services Managers submitted daily reports on the status of service delivery in their respective wards. They also monitored the implementation of service delivery activities and inspected and monitored progress on all projects listed in the relevant Service Delivery and Budget Implementation Plan (SDBIP) for their respective areas. This was to keep the Municipal Manager and Executive Management Team (EMT) informed of the standards of service delivery throughout the municipal area.

#### 24-Hour Emergency and Customer Call Centre

The Call Centre has now been in operation for more than a year with four Call Centre Operators on a 24-hour shift system and is located at the Fire Department. To make the client services function more user friendly, the centre deals with general enquiries and complaints, essentially

during after-hours, which fall between 16h30 and 08h00 on public holidays and over weekends. The functioning of the Call Centre is gaining momentum as a result of marketing and very good feedback from the public. It is making a great contribution to community liaison and building a good image for the Municipality.

Four Call Centre Operators were appointed on a contract basis and a total number of 623 complaints were received by telephone and dealt with during the 2008/09 financial year. When a departmental complaint is received, the relevant department or directorate is informed immediately and attends to the query.

The municipality appointed the Batho Pele co-ordinator who is responsible for cascading the Batho Pele Principles to all staff members of the Breederiver Winelands Municipality as part of an ongoing revitalisation of the campaign.

Motivated officials (especially the customer care officials) go beyond their call of duty and promote the slogan: *'Together beating the drum for service delivery.'*

New employees are inducted on the Batho Pele Principles.

#### Customer Satisfaction Surveys

To demonstrate the municipality's commitment to service excellence and quality service delivery, a follow-up Client Satisfaction Survey report was done and served before the Council. The preliminary results of the survey indicate that most of the clients are satisfied with the services received and some of the preliminary overall results indicate that:

- 69% of clients are of the opinion that the reception areas in the municipality are clean, neat and tidy, compared to 1% of clients that are of the opinion that the reception areas are not clean, neat or tidy.
- 63% of clients are of the opinion that the staff are knowledgeable and competent, compared to 5% of clients who are of the opinion that the staff are not knowledgeable or competent.

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### BREEDER RIVER WINELANDS MUNICIPALITY PERFORMANCE REPORT

65% of clients are of the opinion that they were treated with courtesy and respect, while 5% of clients are of the opinion that they were not treated with courtesy or respect.

- 64% of clients are satisfied with the overall services of the municipality, while 9% of clients are not satisfied.

#### Customer Care Management Analysis

The customer care department conducted an ongoing monthly analysis from which it draws a list of the top ten complaints per department, ward and town. Based on the identification of the top ten complaints per month, it gives an indication as to where to focus on problem areas in each ward.

Table 91: Below is a summary of the total number of complaints received via CCM-System

| TOTAL NUMBER OF COMPLAINTS RECEIVED OVER THREE YEAR PERIOD |           |           |
|--|-----------|-----------|
| 2006/2007  | 2007/2008 | 2008/2009 |
| 5 155  | 6 135     | 5 497     |

Below is a graph of the top 10 complaints analysis per half year for the period:

Figure 26: Top 10 Complaints: Analysis: Complaints per half-year for the period:  
1st July 2008 to 31st December 2008

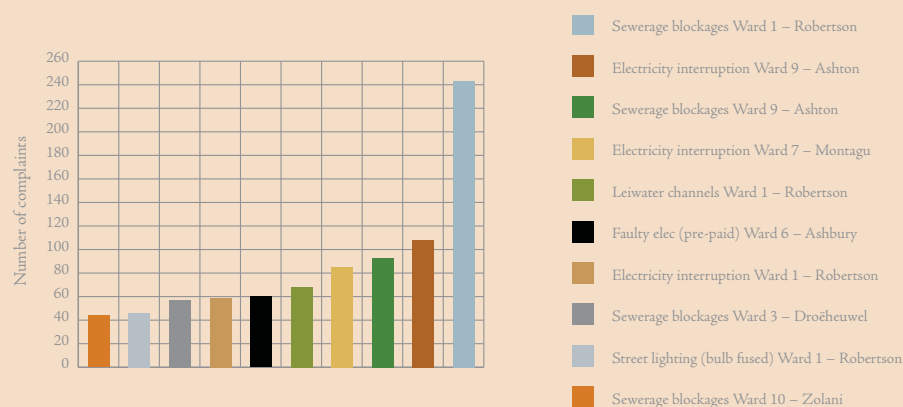
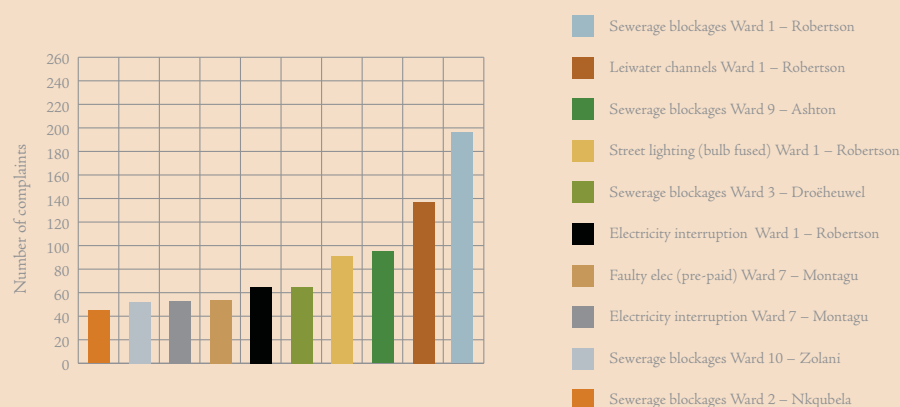


Figure 27: Top 10 Complaints: Analysis: Complaints per half-year for the period:  
1st January 2009 to 30th June 2009



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#### Customer Care Management: Analyses per Financial Year

Table 92: Below is a brief summary of the total number of completed and uncompleted complaints.

| FINANCIAL YEAR | TOTAL % OF COMPLAINTS RECEIVED | TOTAL % OF COMPLAINTS PENDING | TOTAL NUMBER OF COMPLAINTS RECEIVED |
|----------------|--------------------------------|-------------------------------|-------------------------------------|
| 2006/07        | 4 972 (96%)                    | 181 (4%)                      | 5 153                               |
| 2007/08        | 4 797 (78%)                    | 1 320 (22%)                   | 6 117                               |
| 2008/09        | 3 808 (75%)                    | 1 261 (25%)                   | 5 069                               |

| KPA   | THE DEVELOPMENT OF THE ADMINISTRATION IN SUPPORT OF SERVICE DELIVERY |        |  |  |
|-------|--|--------|--|--|
|       | PROJECT  | TARGET | OUTPUT   | PROOF OF DELIVERY  |
| KPI'S | Batho Pele Training (Ensuring People First)                          | 60%    | Report on results.<br>Enhanced service delivery. | 2-Day Batho Pele Train the Trainer Programme (19th – 20th February 2009) |
|       | Reduction in number of complaints                                    | 10%    | 8%   | Report on results  |
|       | Increase in response time of complaints                              | 100%   | 90%  | Report on results  |
|       | Increase in resolution of complaints                                 | 80%    | 75%  | Report on results  |

| KPA   | MANAGE STAKEHOLDER RELATIONS FOR EFFECTIVE SERVICE DELIVERY        |        |                                     |   |
|-------|--|--------|-------------------------------------|---|
|       | PROJECT  | TARGET | OUTPUT                              | PROOF OF DELIVERY   |
| KPI'S | Conduct Customer Services Surveys                                  | 1      | Questionnaires                      | Report  |
| KPA   | DELIVERY OF QUALITY FIRE FIGHTING AND DISASTER MANAGEMENT SERVICES |        |                                     |   |
| KPI   | Effective functioning of the 24-Hour Call Centre                   | 1      | Established:<br>Tel No 086 088 1111 | Telephone<br>Appointment of 4 permanent Call Centre Operators |

#### Intergovernmental Relations

Co-ordinating and administrative assistance was given to the intergovernmental activities mentioned below in terms of improving service delivery.

- Home Affairs: ID Distribution Campaign, February 2009.
- IEC: Re-election process of Ward Committees.
- Department of the Premier: 3 day Batho Pele Workshop, a Train the Trainer Workshop.

#### Best Practices

- Cape Winelands District Municipality expressed an interest in using the Breede River Winelands Municipality's Public Participation Report as a case study for the Western Cape.
- Dplg decided to use the current practices and experiences (Public Participation Report and the Client Services Report) gained by Breede River Winelands Municipality as one of the case modelling municipalities, in their attempts to put together a National Public Participation Framework.

- GTZ are also interested in the Customer Care Management System for implementation at various other municipalities in the Western Cape.

#### Adhoc projects

Listed below are some of the functions the department had to perform, which were not part of the original approved business plan.

- Determined terms of reference regarding an Internal Customer Satisfaction Index to be performed by an external consultant.
- Telkom Teltrace Office 32 Software (Opticon IP 32 Rental) has been installed at the 24-Hour Call Centre as from June 2009. All users at the Call Centre now have individual telephone codes. This is to ensure better control and monitoring of outgoing telephone calls, made by the four Call Centre Operators and the firemen.
- Negotiated with the Breede River Gazette (local newspaper) to co-ordinate the distribution of the said paper in Montagu and Robertson.

#### Future plans

In the next financial year the department will focus on the following areas:

- Empowerment of Call Centre Operators.
- Marketing + Branding: 24-Hour Call Centre.
- Appointment of an additional four call centre operators.

#### Ward Committees

This department is responsible for managing and co-ordinating Ward Committees within the Breede River Winelands Municipality. Their aim is to strengthen public participatory governance and customer service, within the Breede River Winelands Municipal area.

- The functions of the department are as follows:
- To render the managerial support service to the Office of the Speaker.
- To render an inquiry and complaints service to the community of the Breede River Winelands Municipality.
- To manage and effectuate an effective Participatory Ward Committee System.
- To assist in smooth service delivery and enhance public

participation activities by the CDW's.

- Priorities for the 2008/09 financial year were to establish and ensure proper functioning of ward committees and to establish and ensure that the appropriate systems are in place to enhance public participation.

#### Status and Functionality

The Breede River Winelands Municipality is performing very well with regards to the functioning of Ward Committees and the Public Participation processes. To substantiate this, a status quo report was submitted to the Cape Winelands District Municipality, as well as to the Department of Provincial and Local Government. All 10 Ward Committees have been established in the Breede River Winelands Municipal area and are fully functional and operational.

#### Attendance at Ward Committee Meetings

- Ward Committee meetings are monitored on a regular basis by the Speaker and the Manager: Client Services and Ward Committees.
- An attendance register forms part of the Ward Committee agenda. (Payout of Out of Pocket Allowances).
- Compilation of the minutes of meetings to be handed in at the Office of the Speaker within seven days after meetings were held for further processing by the Manager: Client Services and Ward Committees.
- Internal memos are sent to the relevant departments and feedback on minutes is submitted per letter to the Ward Councillors.
- Ward Committee meetings are scheduled on a monthly basis and Special Meetings occur as requested by ward councillors. A total number of 57 ward committee meetings were held during the 2008/09 financial year.
- Ward Based Community meetings (for purposes of reporting back) are scheduled on a quarterly basis. A total number of 10 ward community meetings were held during the 2008/09 financial year.

#### Ward Based Capital Projects

All ten wards were requested to submit their proposals for their Ward Based Capital Projects within the 2008/09 financial year, pertaining to an

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amount of R 500 000.00 that has been made available in the 2008/09 Operating Budget. An additional amount of R 90 000.00 was received from Dplg for utilisation within the wards. This amounts to R 59 000.00 per ward. (R 500 000.00 + R 90 000.00 = R 590 000.00 ÷ 10 Wards = R 59 000.00 per ward).

The prioritised ward based capital projects during the 2008/09 financial year are as follows:

**Table 93: Ward base capital projects**

| WARD | PROJECT   | BUDGET      |
|------|---|-------------|
| 1    | Erection of a new play park in Alberta Street, Môreson  | R 59 000.00 |
| 2    | Office for Ward Councillor/Ward Committee   | R 59 000.00 |
| 3    | Upgrading of an existing play park in Dorpsig   | R 59 000.00 |
| 4    | Upgrading and fencing of an existing play park in Leeubekkie Street, Happy Valley                                     | R 59 222.00 |
| 5    | Erection of braai stands and toilet facilities at the town entrance   | R 60 900.00 |
| 6    | Erection of a new play park in Ashbury, Cedar Avenue  | R 70 000.00 |
| 7    | Upgrading and fencing of an existing play park in Du Preez Street   | R 65 000.00 |
| 8    | Erection of neat benches and refuse bins in Bonnievale Main Road  | R 63 850.00 |
| 9    | Grant in Aid to Silver Threads Association in Ashton for building a (service centre) for elderly people over weekends | R 59 000.00 |
| 10   | Erection of an arts and crafts centre along the R60 Road  | R 59 000.00 |

#### Municipal Imbizo's

##### Review of Integrated Development Plan (IDP/Budget Imbizo): 2009/10

The council has accepted an IDP/Budget Interaction plan for the review of the IDP/Budget for the financial period 2009/10. In order to give all role players, especially the 10 Ward Committees and the residents of all the wards and all sectors in the municipal area the opportunity to make contributions with regards to developmental needs, a series of meetings were planned on the following scheduled dates. All the individual organisations and the individuals of all sectors were invited to attend the above-mentioned scheduled meetings. Notice in terms of a municipal advertisement was placed in the local newspapers.

**Table 94: Municipal Imbizos**

| WARD  | WARD COUNCILOR                                | AREA              | DATE      |                   | TIME  | VENUE                       |
|-------|---|-------------------|-----------|-------------------|-------|-----------------------------|
| 1 & 3 | Cllrs J. D. Burger and Cllr M. Carelse-Snyman | Robertson         | Monday    | 6th October 2008  | 19h00 | Robertson Community Hall    |
| 2     | Cllr S. W. Nyamana                            | Nkqubela          | Tuesday   | 7th October 2008  | 18h00 | Nkqubela Community Hall     |
| 4     | Cllr E. Vollenhoven                           | Bonnievale        | Wednesday | 8th October 2008  | 19h00 | Happy Valley Community Hall |
| 5     | Cllr G. Fielies                               | McGregor/Rooiberg | Thursday  | 9th October 2008  | 19h00 | VGK Church Hall             |
| 6 & 7 | Cllr M. W. H. du Preez and Cllr J. Thomson    | Montagu           | Monday    | 13th October 2008 | 19h00 | Montagu Community Hall      |
| 8     | Cllr S. W. van Eeden                          | Bonnievale        | Tuesday   | 14th October 2008 | 19h00 | Chris van Zyl Hall          |
| 9     | Cllr J. Adams                                 | Ashton            | Wednesday | 15th October 2008 | 19h00 | Barnard Hall                |
| 10    | Cllr K. Klaas                                 | Zolani            | Thursday  | 16th October 2008 | 18h00 | Zolani Community Hall       |



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#### Budget Imbizo: 2009/10

During March/April 2009 information meetings in all 10 wards were held. CDWs assisted in the distribution of flyers and loud hailing with the Traffic Department in all 10 wards. All the interested organisations and the individuals of all sectors were invited to attend the above-mentioned scheduled meetings per ward.

**Table 95: Budget Imbizo**

| DATE OF MEETING | WARD    | VENUE                                   | TIME  | DIRECTOR RESPONSIBLE  |
|-----------------|---------|---|-------|---|
| 25th March 2009 | 9       | Barnardsaal, Ashton                     | 19h00 | Director Corporate Services                                       |
| 26th March 2009 | 6 and 7 | Wilhelm Thyslaansaal, Montagu           | 19h00 | Director Community Services                                       |
| 30th March 2009 | 5       | Ou Gym, McGregor                        | 19h00 | Director Corporate Services and the Chief Financial Officer (CFO) |
| 1st April 2009  | 8       | Chris van Zylsaal, Bonnievale           | 19h00 | Director Infrastructure Development                               |
| 2nd April 2009  | 4       | Happy Valley Gemeenskapsaal, Bonnievale | 19h00 | Director Infrastructure Development                               |
| 6th April 2009  | 1 and 3 | Gemeenskapsdaal, Droë Heuwel, Robertson | 19h00 | Chief Financial Officer (CFO)                                     |
| 7th April 2009  | 2       | Nkqubela Gemeenskapsaal, Robertson      | 19h00 | Municipal Manager   |
| 8th April 2009  | 10      | Zolani Gemeenskapsaal, Ashton           | 19h00 | Municipal Manager   |

#### Financial Support: Ward Committees

Ward committees are functioning in terms of an approved budget with specific reference to transport, refreshments, stationary, furniture and other office equipment such as computers, printers, memory sticks, etc).

An out of pocket allowance was given to ward committee members for attending ward committee meetings:

Urban Committee Members received R 100.00

Rural Committee Members received R 150.00

An additional R 100.00 was paid to the person who provided refreshments.

Pertaining to the National Framework Guidelines, the existing 'out of pocket allowance' of R 100.00 per urban committee member and R 150.00 per rural committee member for attending Ward Committee meetings was adjusted to R 250.00 per urban and rural committee member during the Council decision in May 2009. The additional R 100.00 per ward committee meeting for refreshments was terminated, but coffee and tea was still provided by the Municipality.

#### MSIG Grants

R 500 000.00 (2006/07: R 350 000.00) (2008/09: R 150 000.00)

At the end of 2006/07 financial year an amount of R 323.896.02 was rolled over to the 2007/08 financial year. During 2007/2008 no MSIG Grants were received. By the end of the 2007/08 financial year an amount of R 242.178.87 was rolled over to the 2008/09 financial year.

MSIG Grants to the amount of R 150 000.00 were received during the 2008/09 financial year.

#### Ward Committee Re-Election Process

Ward Committees were established in March 2006. In terms of the Council's policy, the term of office is as follows:

Par. 15 (1) *"Members of a Ward Committee are elected for a period of no less and no longer than two years."*

(2) *"Members may only serve for two consecutive terms, where-after at least one term of two years should pass before such member is eligible to participate in a ward election and be elected on such Ward Committee."*

The National Guidelines for the Establishment and Operation of Municipal Ward Committees prescribe a specific term of office, i.e.:

#### *"Term of Office"*

13 (1) *Members of a ward committee are elected for a term determined by the local council.*

(2) *It is recommended that the members of a ward committee are elected for a period of no less than 2 years and no longer than 3 years.*

(3) *It is further recommended that a municipality apply the same term of office with regards to all its ward committees."*

Our first re-election of the Ward Committee process took place during June/July 2008 in collaboration with the Independent Electoral Commission (IEC). The IEC will use Breederiver Winelands Municipality's Re-Election process as a 'Blueprint' for the Western Cape.

#### Ward Committee Handbooks (National Guidelines) – Department of Provincial and Local Government (DPLG)

All Ward Councillors and Ward Committee Members were provided with a Ward Committee Handbook. This handbook is the result of a number of programmes and activities undertaken by the Department of Provincial and Local Government (Dplg), the Australia South African Local Governance Partnership (ASALGP) and the German Agency for Technical Cooperation (GTZ) which aim to enhance participatory democracy and good governance in South African municipalities.

#### Ward Committee Gala Evening: December 2008

During the re-election process, newly appointed Ward

Committee Members were elected. A Ward Committee Gala Evening was held during December 2008.

- Branded Clothing (golf T-shirts, weatherproof jackets, and black shoulder bags) were presented to all ward committee members according to their clothing size.
- A Code of Conduct for Ward Committee Councillors and members was signed.
- The evening was sponsored by Cape Winelands District Municipality, GTZ, Dplg (Public Participation and Local Governance) and ABSA Bank.
- Local Sponsors were: Graham Beck Wines, KWV, Montagu Foods, Langeberd and Ashton Foods, Van Loveren Winery.

#### Community development workers (CDWs)

##### Role of the CDW

The Breederiver Winelands Municipality has embraced the use of effective CDWs to strengthen participative democracy in the Municipality.

These are some of the Key Performance Areas (KPA's) for CDWs:

- Community profile to be compiled for the Breederiver Winelands Municipality.
- Provide assistance to Ward Committee activities.
- Provide assistance during Community meetings.
- Provide assistance to Ward Committee elections.
- Provide assistance during Ward Based Planning.
- Communicate municipal and government projects in communities.
- Co-ordinate for communities to develop and submit proposals for inclusion in the IDP and other government plans.
- Co-ordinate inter-governmental and inter-departmental programmes.
- Maintain communication with Community Based Organisations (CBOs).
- Inform the communities of problems with service delivery.
- Provide assistance with the implementation of community projects.
- Monitoring and reporting back on community projects.
- Act as resourceful and dedicated public servants (Customer Services).

**Table 96: CDW and Respective Wards**

| NAME OF CDW           | RESPECTIVE WARD | TOWN/AREA                |
|-----------------------|-----------------|--------------------------|
| Ms Octavia Liemens    | Wards 1,2,3     | Nkqubela and Robertson   |
| Mr Pieter Kortje      | Ward 4          | Happy Valley, Bonnievale |
| Mr Johannes Jansen    | Ward 5          | McGregor                 |
| Ms Charmain Swanepoel | Wards 6, 7      | Ashbury and Montagu      |
| Ms Lindiwe Kahla      | Ward 8          | Bonnievale               |
| Ms Lucreatia Jansen   | Wards 9, 10     | Zolani and Ashton        |

### Public participation

A comprehensive public participation policy was developed and adopted by the municipality to ensure that all its decisions are made by stakeholder input. This policy provides a framework for public participation in the Breede River Winelands Municipal area. The policy builds on the input from the Draft National Policy Framework for Public Participation. It supports the commitment of the National Government to deepen democracy, which is embedded in the Constitution and above all to provide for participatory engagements at a grassroots level.

The Ward Committees, CDWs and stakeholders are the vehicles for public participation processes. The Breede River Winelands Municipality is regarded as a good example for other municipalities.

### Ward Committee Summit: 23rd June 2009

Cape Winelands District Municipality hosted a Ward Committee Summit on 23rd June 2009 and Breede River Winelands Municipality was identified as the best local municipality for the effective functioning of ward committees. The key objective of the ward committee summit was held:

- To create an environment for enhanced synergy amongst municipalities in the district on the functioning of ward committees.
- To gain an understanding of the contribution of the ward committees to improve service delivery.
- To discuss the role of municipalities in supporting ward committees.
- To discuss how the structuring of the ward committees can ensure credible participation of the different sectors.

### 2nd Annual Review of the Cape Winelands District Municipality (2007/2011) IDP and Budget

The Council of CWDM approved its Revised Draft 2009/10 IDP and Revised Draft Medium Term Revenue and Expenditure Framework for 2009/10, 2010/11 and 2011/12.

Municipal Delegation: Two ward committee members per ward to attend the IDP/Budget Hearing. Transport was co-ordinated by Breede River Winelands Municipality.



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#### Cape Winelands District Municipality: Disaster Management training, May 2009

- Negotiate co-operation with 'Vallei FM' for purposes of a timeslot to enhance public participation.

#### Cape Winelands District Municipality and Food & Trees for Africa, greening project, March 2009

Food & Trees for Africa in collaboration with Cape Winelands District Municipality distributed trees in our municipal area. Our CDWs were part of this project. Certificates were given to all key role players who contributed to the success of this greening project.

#### Future plans

##### Goals for 2009/10

- Transport: Purchase a minibus for Ward Committees.
- Appoint Community Development Workers.

#### Adhoc projects

- March 2009 CDWs assisted the Finance Department with logistic arrangements and administrative support pertaining to the indigent applications in all ten wards. (Distributing of flyers and loud hailing in conjunction with the Traffic Department).

